

SINYI REALTY

2019 ANNUAL REPORT



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Chapter One. A Letter to Shareholders

Dear Shareholders:

In 2019, Taiwan's real estate market continues the trend of recovery in recent years and the demand mainly came from the need for self-residence. The population of first-time purchasers became the major roles of the house purchase in the area. The recovery of buying sentiment still continued. Benefiting from the improvement of economic environment, the Company and the subsidiaries related to real estate agent business in Taiwan achieved good performance in 2019. Besides the good results in the talent recruitment, the Company's operation concepts of "service in lieu of marketing" and "community service in lieu of business zone cultivation" are also affirmed by colleagues and customers. By virtue of providing community residents with various warm residence services, and with the advantage of "Sinyi comprehensive real estate platform" operation and the digitally accurate placement, the revenue and the operating income from brokerage and agency sale in Taiwan area of the Company in 2019 grew 20% and 30%, respectively, compared with the previous year. Due to the "Sinyi Jiating" project's drawing to an end and other construction projects starting to presell at the second half of the 2019, the consolidated revenue for 2019 was mainly from real estate brokerage.

In addition to the real estate brokerage and development business, with a positive view of prospect of tourist & travel business in Southeast Asia, the Company acquired the right-to-use land on Megalum Island, Sabah, Malaysia through its subsidiary in 2019, sowing the seeds of future development of leisure and tourism industry of Sinyi Group.

1. The industrial environment and business performance

The brokerage and relevant house service in Taiwan —

Because of the impact of USA-China trade dispute raised the effect of transfer of orders, and part of relevant industries transferred their production capacities to Taiwan, the foreign net demand and domestic investment performance were better than expected. The economic growth rate in 2019 was about 2.71%, the top of the Four Asian Tigers; in addition, the number of family still continually and slowly increased, bringing in the increasing demand for self-residence purchases. In the year of 2019, the housing units transacted and transferred rose to 300 thousand units, an annual growth of 8.0%.

Facing the re-warming real estate market, the Company continually optimizes the independently developed and imported auxiliary tools of real estate technologies to provide customers with more convenience in their purchase of house. In normal time, the Company aggressively requests the colleagues to go deep into the community, to satisfy various demands of residents of the community in respect of residence, and to implement the practices of "knowing people, being known, and being trusted", in order to have the branch stores become a good helper of the community, and further cause the residents to be used to enter Sinyi branch stores whenever they desire to purchase houses.

The above efforts also led the rise of both of operation revenue performance and output per agent of the brokerage business in Taiwan in the previous year, and pushed us to step into the vision of becoming “the top brand of residence living industry” of Taiwan brokerage business.

The agency sale business of Sinyi continually develops the innovative operation mode of “Sinyi comprehensive real estate platform”. By virtue of the brand of Sinyi, the channel of brokerage business, the accurate big data analysis of customers and the digital network marketing, we multiply increased the service capacities and accelerated the speed of transaction, separately explored the Blue Ocean market for the competitive agency sale market, and obtained the growth nearing fifty percent (50%) of the agency sale business, becoming the top three of the industry sector.

The brokerage in Mainland China —

In respect of the real estate market in Suzhou district, the performance was prosperous followed by a recession, and the transaction volume reached the relatively high over recent years at the beginning of the second quarter of 2019. However, as the local government successively launched new measures in May and July to implement the policies of “keep steady” and “for residence but not for speculation”, the performance of operation revenue of Suzhou Sinyi was affected, caused 21% decrease in the operating revenue, compared with the previous year. In respect of second-hand housing market in Shanghai district, the prices were steady and the volumes increased; the transaction volumes in 2019 reached new high over recent 3 years, leading to 17% increase of brokerage revenue of Shanghai Sinyi, compared with the previous year. However, as affected by the poor performance of new house market in surrounding area, the operation revenue of the agency department of Shanghai Sinyi was significantly impacted.

Other brokerage in overseas markets —

Japan Sinyi has cultivated the local market for ten years. For further expansion of the influence and popularity on the local market and service to the local customers in Japan, it separately created the new brand “S J Home” of house brokerage, to further promote its service to the local market which was famous of its delicate service tradition. Through the Japan-Taiwan linked quality service as jointly built by Japan Sinyi and its subsidiary in Taiwan, Taiwanese style enthusiasm was merged into Japanese style delicate service, leading to 18% growth of operation revenues of Japan Sinyi in 2019.

Real estate development —

The “Shanshui Jiating” project in Wuxi of Mainland Real Estate Development Business has started the pre-sales in the fourth quarter of 2019. Continuing on the good reputation of “Sinyi Jiating” project and building experiences, it shaped the service feature insisted by Sinyi brand and increases the popularity, and is devoted to become the local quality benchmark development project.

Having the green trees view of the cultural landscape of 435 Art Zone with area of 13.9 thousand pings, nearing Xinhai manmade wetland park, the Sinyi “Jaihe” project of cultural homes launched by Sinyi Development in Banqiao District of New Taipei City aimed to create a happy home “based on humanity with home as core”, and started the sales in August 2019. As of the end of the year, the sale rate has exceeded thirty percent (30%). While the first-row Sinyi “Jiapiin” project in the same 435 Art Zone has obtained the building licenses and will start the construction works successively.

The operating performances in Year 2019 and Year 2018 are summarized as below:

【Analyses on the financial revenues and expenditures and profitability】

Expressed in Million New Taiwan Dollars

Items		Year	Year 2019	Year 2018
Financial income/expenditure	Operation revenue		12,438	12,903
	Operating income		1,972	2,645
	Net non-operating income (expense)		85	175
	Consolidated income before tax		2,057	2,820
	Income tax expense		780	1,329
	Net income (attributable to owner of the Company)		1,263	1,505
Profitability	Return on total assets (%)		5%	6%
	Return on equity (%)		12%	13%
	Net income margin (%)		10%	11%
	Earnings per share (\$)		1.71	2.04

Note: The above table is prepared according to data in the consolidated financial statements.

2. Verification of remarkable performance of Sinyi with award honors

The Company is devoted to increase the corporate completeness and implement the corporate ethics, and exerts its influence to build a faithful real estate transaction order, and endeavor to take overall consideration to the interests among various interested parties, including customers, colleagues, shareholders, the society and the environment and suppliers, so as to establish the advantage niche of sustainable development. With several years of efforts, the Company has been affirmed by various cycles, and has been acknowledged by various awards from the operation area and worldwide.

The major awards obtained by the Company in 2019 are summarized as follows:

In the aspects of quality and innovation of services:

- ※ Awarded the first place of real estate brokers in the “Survey of Ideal Brands in the Minds of Consumers” by Management Magazine for 26 years in a row.
- ※ Awarded the platinum awards of “Reputation Brands in Reader’s Digest” by Reader’s Digest for 12 years in a row.
- ※ Awarded the first place of real estate brokers in the “Survey of Ideal Brands of Businessmen” by Business Today for 12 years in a row.
- ※ Awarded the first award of real estate broker category of “Five-Star Service Award” by Global Views Magazine for 3 years in a row.
- ※ Awarded the first place of “First Award of Service” by Next Weekly for 5 years in a row.
- ※ Awarded the best management innovation award – silver award of 2019 “Future Commerce Awards – Innovation Commerce Award” by Top Agent APP high-efficient virtual mobile special assistant.”

Performance by the Company in the aspects of social responsibility and corporate governance:

- ※ Awarded the “Top Five Percent” of the corporate governance assessment by the Securities & Exchange for 5 years in a row.
- ※ Awarded “Commonwealth corporate Citizen Award” by “Commonwealth Magazine” for 13 years in a row.
- ※ Awarded the biggest award of “Asia’s Report of the Year” in the Asia Sustainability Reporting Award (ASRA) by CSR Works International Pte. Ltd., Singapore for 3 years in a row.
- ※ Awarded “Global Corporate Sustainability Report Award” by Taiwan Academy of Sustainability for 2 years in a row and “Taiwan Corporate Sustainability Award” of the same academy for the fifth time.
- ※ Awarded the first award of “SCR Survey – Service Group” by Global Views Magazine for 2 years in a row, and the first award of “Education Promotion Group” for the first time.
- ※ Awarded the “Best Employer Award” by HR Asia Magazine.

3. Impact of the external competition, regulatory backdrop and business environment, operating goals and future prospects:

The brokerage and related house service in Taiwan –

The survey of the Company indicates that the house purchase confidences of peoples in house purchase are further re-warming to the best status over recent 6 years, and this is the year in which the steady recovery of the real estate market for self-residence.

Because the President is re-elected, the policies relating to real estate are expected to continue. Furthermore, because USA-China trade war and the government policies brought the return of funds to Taiwan, plus the low interest rate environment for long times, the funds will be plenty on the overall markets. Therefore, it is expected the moderate recovery of the previous year will continue in 2020. However, facing the COVID-19 outbreak, even though Taiwan has better results from the epidemic prevention, the outbreak is expected to bring some impact on the domestic housing market of 2020.

The Company will continue to take the trust as the core, uphold the spirit of “Righteousness above profit”, start from the core value of community service and the service manifestation, widely take root in the community, and link with the happy living circle of residence, and will well perform the customer service based on the mind of beginning for the end through the interactions of community service and good trust relationship with residents of the community. Meanwhile, the Company will combine the technology trends to fully unfold the digital technology abilities of colleagues, and well practice O2O service model to provide customers with the best experience in high quality and efficiency.

The brokerage in Mainland —

The brokerage business in Mainland area will continually adopt “Amoeba Operating” to promote the operation of entire employees, cultivate talents with the mind of operation, import O2O system as an aid, fulfill the basic functions of service, to react to the future development trends, and will efficiently promote the productivity of single store and per capita, to satisfy the demand of customers for the transaction of house purchase. In addition, facing the impact of COVID-19, the Mainland brokerage business will assist the residents of the community in the epidemic prevention in due time, and endeavor to become good helpers and trusty partners of peoples in the community.

Other brokerage in overseas markets —

Japan Sinyi having deeply cultivated Japanese market for more than 10 years will continually promote the service abilities of Taiwan-Japan link; and meanwhile, will use the steady steps to develop “SJ Home” brand, and will plan the newly established branch store and recruit local good talents, to promote the brand popularity, explore the customer base and enlarge the service capacity.

Real estate development —

In 2020, the Mainland real estate development business will be devoted to the promotion of sales of remaining houses of “Sinyi Jiating” project in Shanghai and the pre-sales of “Shanshui Jiating” project in Wuxi and will implement the construction qualities and progress control. As a new real estate developer in Wuxi, the said business needs more precise target customer base to operate, and the unfolding of its more concrete qualities of sales of finished houses to have the customers perceive the building values and features of “Shanshui Jiating”. The Sinyi “Jiahe” project in New

Taipei City will continue the promotion of the pre-sales efforts, will combine three advantages of “Building Product Traceability”, “Building Information Modeling (BIM)” and “Community Development”, to acquire the rare cultural Greenland and become the real collection of building for generations. Sinyi “Jiapi” project will flexibly adjust the schedule of pre-sales depending on the sale progress of “Jiahe” project, and in addition thereto, will aggressively seek the appropriate enterprises and stores residing there in the future to input new vitalities to the surrounding environment of the building project.

Leisure and tourism industry —

In order to explore the relevant demands of customers for residence, the Company purchase the right-of-use land of the Mengalum Island, Malaysia with area about 200 acres in 2019, planning to step into the high-end resort or hotel industry, and making it becomes the first choice of local and international travelers for their vacation in Sabah. Looking forward to 2020, the Company will proceed to a series of the preparation before the development plan.

Chairperson: Hsueh Chien-Ping

Chapter Two. Company Profile

I. Date of incorporation: January 21, 1987

II. Milestone:

Year 2019	<ul style="list-style-type: none"> • The 2019 shareholders meeting resolved to change the Company's name to "信義房屋股份有限公司" (formerly known as "信義房屋仲介股份有限公司"). • Mr. Hsueh Chien-Ping succeeds Mr. Chou Chun-Chi, the founder, as Chairperson of the Company's board of directors and Mr. Chou Chun-Chi remains a director of the board of directors. • The Company's subsidiary Sin Chiun Holding SDN. BHD. acquired the right-to-use land of Mengalum Island in Sabah, Malaysia to develop overseas tourism business. • The Company takes the lead to announce "Timber Decay Protection Cover", including the prior "timber decay defects professional inspection" and the delivery of housing within six months up to a maximum of NT\$300 thousand for "Timber Decay Compensation Protection System."
Year 2018	<ul style="list-style-type: none"> • The Company's subsidiary, Jiu Xin Estate (Wuxi) Limited, commenced the construction of a new residential project "ShanShuei Jiating" in Wuxi City in October 2018. • In addition to providing high-quality services to non-Japanese clients to find their desired property in Japan, the subsidiary, Sinyi Realty (Japan) Inc., will grow its local customers base with the whole new realty brand "SJ Home" mainly focusing on second-hand house market.
Year 2017	<ul style="list-style-type: none"> • The Company's subsidiary, Sinyi Development Co., Ltd., purchased a block of land located in Banqiao, New Taipei City for launching our second residential project in Taiwan. • The residential Project "Sinyi Jiating" had started to transfer the ownership of each unit during 2017. During this period of 2017, we recognized revenue totaling NT\$ 9.68 billion dollars. • Our overseas footprint in Malaysia, "Fidelity Property Consultant SDN. BHD.", officially opened for business since July, 2017. We will build up a service-chain in connection between Taiwan and Malaysia and bring our high-quality "Sinyi Service" to local market. • The Company's overseas subsidiary, Sinyi Real Estate (Hong Kong) Limited, got a piece of land located in Wuxi City, Jiangsu Province for CNY 1.294 Billion dollars. The Company set up a new subsidiary in Wuxi City, "Jiu Xin Estate (Wuxi) Limited". The same as project "Sinyi Jiating", we will introduce the concept of community-development into the development of a piece of land.
Year 2016	<ul style="list-style-type: none"> • In order to consolidate varied services and to respond to the advanced technology development in digital environment and internet, Sinyi Group launched its Platform Business as the vehicle. • Yowoo Technology Inc., Sinyi's subsidiary, launched "Yowoo delivery platform" aiming at community economic services which provide the community residents with warm food delivery services.

	<ul style="list-style-type: none"> ● Sinyi Realty Inc. Japan, Sinyi's subsidiary, established Osaka branch, expanded its business from Kanto region to Kansai district in Japan.
Year 2015	<ul style="list-style-type: none"> ● Launch of the Sinyi O2O (Online to Offline) Platform with three integrated services, i.e. Home Anything and Everything, Home Services and Home Shopping Mall under a coordinated process to solve the customers' domestic affairs in their lives. ● Offering of 3D Interactive Shopping for Homes that allows a virtual experience of visiting without the limitation of time and space. ● Kick-off of another ten-year program "Nationwide Community Building" by investing a total of NT\$ 200 million.
Year 2014	<ul style="list-style-type: none"> ● As the leader among the industry, we launched innovative house seeing services "digital home deco" to enable customers to have the virtual view of the house after re-modeled. ● Our Subsidiary Sinyi Development Co., Ltd. launched its first project for pre-sale "Sinyi Qian-Shi". Unlike the traditional markets, that program gave tag prices to create "online order for a house", where customers could look into floor plans, prices, sales status and updated information through website to safeguard consumers in their interests in an open and transparent manner.
Year 2013	<ul style="list-style-type: none"> ● We incorporated Sinyi Real Estate (Shanghai) Limited, wherewith we were successfully awarded the tender for development and construction on a piece of land in Shanghai City to realize our community home concept. Besides, our another Subsidiary Sinyi Development Co., Ltd. (formerly known as Da-Chia Construction Co., Ltd.) was also awarded a piece of land in the precious area of Tianmu, Taipei City where we would build a high class intellectual housing products. ● We integrated and extended the real estate brokerage agency services procedures and get officially verified for ISO9001 international certification as the first officially verified home brokerage services house.
Year 2012	<ul style="list-style-type: none"> ● We took the leader among the industry in Taiwan in establishing "Ethics Director" and "Corporate Ethics Office", setting up a piece of landmark of "Faithful Ethics". ● We set up Sinyi Real Estate (Hong Kong) Limited, through which we were awarded open tender for a piece of land in Shanghai area in China to boost the real estate construction its business.
Year 2011	<ul style="list-style-type: none"> ● We took the leader among the industry provided "Worry-free warranty against suicide or murder involved houses.
Year 2010	<ul style="list-style-type: none"> ● We set up the Remuneration Committee to further enhance the supervision power of the board of directors. ● We established Qingdao Sinyi and Chengdu Sinyi to further expand business in China. ● We initiated in entire Taiwan the "iPhone House-Review App", leading the real estate agent services into a mobile high technology era. ● We took the lead in the real estate agent services in initiating "Home Staging House Furnishing in American Style" services.

Year 2009	<ul style="list-style-type: none"> ● We founded the first enterprise university in real estate agent service fields, as an innovative platform combining theories and practices, with a total investment of NT\$150 million to positively cultivate human resources in the field. ● Sinyi Realty Inc. took the lead to guide real estate agent services into a new milestone to publish the “Monthly Indices of Metropolitan Taipei Area” public, calculating the house price indices on a monthly basis. ● Sinyi has its footprint into Japan by incorporating Sinyi Realty Inc. Japan ● Sinyi Realty Inc. launched “One Family Sponsorship Program for Entire Communities” with NT\$100 million additional sponsorship fund.
Year 2008	<ul style="list-style-type: none"> ● Sinyi expanded its business in China in a full spectrum, by means of “Sinyi Realty Inc.” direct selling system and “Coldwell Banker” franchise system to further deepen the markets through the dual brand policy.
Year 2007	<ul style="list-style-type: none"> ● Sinyi Realty Inc. took the lead among the industry by initiating “Four Major Assurances” services against problems with cheap, unreliable concrete containing high percentage of sea sands, radiation-contaminated material, leakage and transaction insecurity, bringing added transaction security to customers. ● Sinyi set up Audit Committee for strengthening in corporate governance and business development. ● Sinyi’s headquarter moved into Sinyi Building and, meanwhile, signed memorandum with ORIX Group Japan, laying a firm cornerstone ready to march into the global market.
Year 2006	<ul style="list-style-type: none"> ● Sinyi initiated the “e-digital reception services” to link digital and human preference to from a macro to micro reception. We assigned designated personnel to offer guide and service in all details.
Year 2005	<ul style="list-style-type: none"> ● Sinyi Realty Inc. officially promulgated establishment of the brand name “Sinyi Shop” to sell Sinyi products and services, as the spearhead real estate agent service brand name in Taiwan. ● Sinyi took the lead in launching “Online Interaction House Review” services with extraordinarily powerful interaction functions, enabling customers to review houses throughout anytime.
Year 2004	<ul style="list-style-type: none"> ● Sinyi Realty Inc. promulgated “One Family Sponsorship Program for Entire Communities” to invest NT\$100 million fund in every five-year term to sponsor community programs, as the first spearhead community sponsorship program of the largest scale aiming to boost interpersonal interchanges to encourage stay in Taiwan.. ● Sinyi Realty Inc. set up a new subsidiary by the name of Beijing Sinyi and signed franchise contract with Chongqing Reality Co., Ltd. for franchise system in Chongqing area.
Year 2003	<ul style="list-style-type: none"> ● Sinyi took the lead to issue “Sinyi Real Estate Commentary” as a bright lighthouse amidst the confused real estate information. Under our motto of feedback to the society to ensure sound industrial order and assure transparent information, we offer the results and findings yielded through the research efforts to the investment & trust enterprises, investment consultation, banking, real estate and such research institutions.

	<ul style="list-style-type: none"> • We updated the Sinyi Realty Inc. website into a brand new one. By then, Sinyi owned as many as twelve service functions, known as Sinyi Living to render even more intimate services to customers.
Year 2002	<ul style="list-style-type: none"> • We promulgated brand new “humans-oriented” Corporate Identity System (CIS), as the new logo composed of “humans”, “housing” and “summit” to further enhance profound values and visions. • We got ahead of the industry with concrete acts to reform services, refurbishing all Sinyi service outlets of entire Taiwan and introducing to community image exhibition spaces to further enhance the relationship between Sinyi Realty Inc. and communities. • We initiated the “Optimal Home Hunting Systems” as the new Sinyi service system, deepening the awareness of the consumer need in house buys, minimizing consumers’ hard work in house purchase and, in turn, boosting satisfaction approval level of house buyers. • We initiated the “online on-the-spot audiovisual house review software”. All Sinyi branches were additionally equipped with outdoor “housing information multimedia guiding system”, enabling consumers to hunt and view houses online 24 hours. • Sinyi teamed up with telecommunications to launch “entrepreneurial communications integration services” to offer omnifarious and comprehensive platforms including system networks, technological platforms, service content setup, mobile communications terminals to create 3-M technological platform environments and, in turn, boost the competitive edge for enterprises and brand names.
Year 2001	<ul style="list-style-type: none"> • Sinyi successfully upgraded from Taipei Exchange (TPEX) to Taiwan Stock Exchange Corporation (TSEC) listing, and officially got listed on the Taiwan Stock Exchange Corporation (TSEC). Sinyi Realty Inc. became the sole real estate agent service house listed on Taiwan Stock Exchange Corporation (TSEC). • Typhoon Toraji and Nari drastically hit Taiwan, in particular - Xinyi Township in Nantou County. Sinyi Realty Inc. established in that township “Sinyi Children Secured Schooling Program” to sponsor the children of the typhoon devastated families until they graduate from the senior high schools. There were a total of 77 beneficiary children in Xinyi Township under the Sinyi Children Secured Schooling Program.
Year 2000	<ul style="list-style-type: none"> • Sinyi Realty Inc. teamed up with National Chengchi University to set up “National Chengchi University CNCCU - SINYI Research Center for Real Estate” as one of the expertise academic research institutions in Taiwan on real estate expertise. • Where the children in the Xinyi Township of Nantou County were critically affected in schooling in the wake of Catastrophic Earthquake September 21, 1999, Sinyi Realty Inc. established in that township “Supreme Sinyi Fellowship”.
Year 1999	<ul style="list-style-type: none"> • Sinyi Realty Inc. created another new era for real estate logistics. On November 9 of the year, Sinyi Realty Inc. successfully passed the application in Taipei Exchange (TPEX) listing and became the first OTC listed real estate agent company in Taiwan.

	<ul style="list-style-type: none"> Also in the year, Sinyi Realty Inc. obtained the sole and exclusive agency from the largest real estate brand name in the United States Coldwell Banker for the Greater Region of China wherewith Sinyi Realty Inc. would launch extensive real estate transactions among both sides of Taiwan Strait, Hong Kong and Macao.
Year 1998	<ul style="list-style-type: none"> Sinyi Realty Inc. launched “Sinyi Real Estate Price Index”, the first of its like in Taiwan, serving consumers with more objective analysis on real estate market trends.
Year 1997	<ul style="list-style-type: none"> Sinyi Realty Inc. launched NT\$170 million capital increase through cash injection and NT\$330 million capital increase through earnings, bringing the aggregate total of the capital up to NT\$700 million. Sinyi Realty Inc. got approved from the Securities & Futures Commission, Ministry of Finance for issuance in public.
Year 1996	<ul style="list-style-type: none"> Sinyi Realty Inc. launched overall “Readily Available House Escrow” services, as the first one in Taiwan launching new transaction security system. The aggregate total of Sinyi Realty Inc. branches throughout Taiwan hit one hundred.
Year 1995	<ul style="list-style-type: none"> Sinyi Realty Inc. launched “Sinyi VISA” identification card, the first one presented in real estate agent services, lifetime free of membership fee. Sinyi VISA cardholders are privileged for multiple benefits for VISA cards, preferential discount and automatic public charity donation.
Year 1993	<ul style="list-style-type: none"> Sinyi Realty Inc. was in overall giving “Overall Assurance System for House Purchases”, including pre-sale assurance on “ownership survey system”, amid-sale assurance “payment assurance system” and “Scrivener (Title Agent) verification system” and after-sale assurance “leak proof assurance system”..
Year 1992	<ul style="list-style-type: none"> Sinyi Realty Inc. signed contract with China Productivity Center to set up logistic management implementation organization to unfold the initial year for quality in services.
Year 1991	<ul style="list-style-type: none"> Sinyi Realty Inc. purchased the office mansion, with Sinyi Headquarters relocated into Tunrex Skyscraper Building on Dunhua S. Road, Taipei.
Year 1990	<ul style="list-style-type: none"> Sinyi Realty Inc. produced “Real Estate Guide Book” as the spearhead among the entire real estate agent services to protect the safety of transactions for the customers.
Year 1987	<ul style="list-style-type: none"> Sinyi Realty Inc. was officially approved for incorporation registry, with Ms. Chou Wang Mei-Wen serving as the Chairwoman of the First Session, taking the lead to launch “Ownership survey before transaction” to assure carefree transaction to consumers. Sinyi Realty Inc. introduced to Corporate Identity System (CIS) to enhance corporate image.

III. Highlights of Honors:

Year 2019	<ul style="list-style-type: none"> • Awarded the first place of real estate brokers in the “Survey of Ideal Brands in the Minds of Consumers” by Management Magazine for 26 years in a row. • Awarded the platinum awards of “Reputation Brands in Reader’s Digest” by Reader’s Digest for 12 years in a row. • Awarded the first place of real estate brokers in the “Survey of Ideal Brands of Businessmen” by Business Today for 12 years in a row. • Awarded the first place of “First Award of Service” by Next Weekly for 15 years in a row. • Awarded the first award of real estate broker category of “Five-Star Service Award” by Global Views Magazine for 3 years in a row. • Awarded the “Top 5%” of the corporate governance assessment by the Securities & Exchange for 5 years in a row. • The Company was awarded for the 13th time by 《Commonwealth Magazine》 “The Grand Award as the Commonwealth Model Citizen. • Awarded the best management innovation award – silver award of 2019 “Future Commerce Awards - Innovation Commerce Award” by Top Agent APP high-efficient virtual mobile special assistant.” • Awarded the “Best Employer Award” by HR Asia Magazine. • The Company was certified as “Taiwan I sports enterprise” by Sports Administration, Ministry of Education. • The Company won “Taiwan's Best CSR Excellence Award”, “the Best Environmental Excellence Award”, “the Empowering Women Award”, “the Best Workplace Practice Award”, “the Service Excellence Award” and “the Corporate Social Responsibility Leadership Award” of the 11th Global CSR Summit and Awards. • 2 years in a row, the Company was awarded Asia Sustainability Reporting Award, ASRA from CSR Works International Pte. Ltd. • The Company was awarded the "GCSA-Reporting Award" for “the global enterprise sustainability award” 2 years in a row, the "Best Case Performance Award" for enterprise sustainability which is the highest honor of corporate sustainability, and for the fifth time. The Company was awarded the "Top 10 Perpetual Model Award" and "Best Annual Report Award" for the fifth time. In addition, the Company was honored “The English Report Award”, “the Social Inclusion Award”, “the Talent Development Award” and “the Climate Leadership Award” for the first time. • Awarded the first award of “SCR Survey - Service Group” by Global Views Magazine for 2 years in a row, and the first award of “Education Promotion Group” for the first time.
Year 2018	<ul style="list-style-type: none"> • For as astonishingly as 25 years in a row, the Company won the supreme honors of No. 1 among all realty service houses in the “Survey of Ideal Brand from View of Consumers” conducted by the 《Management Magazine》 . • The first place of “Trust Worthy brand” in realty agency industry from Readers Digest for 11 times in a row. • The Company was awarded No. 1 of “Top 50 of operation performance” by

	<p>《Commonwealth Magazine》</p> <ul style="list-style-type: none"> • For 11 years in a row, the Company was awarded by 《Business Today》 First Place Honor in “Grand Survey of Ideal Brand Names in the Eyes of Merchants” • The Company was awarded by 《Global Views Monthly》 First Place Honor in “Five-Star Service in Housing agency” . • The Company has been awarded one of the world's most ethical companies by the Ethisphere Institute, making it the first Taiwanese company to receive the honor. • The Company was awarded Asia Sustainability Reporting Award, ASRA from CSR Works International Pte. Ltd. • The Company has been ranked in the top 5% of the listed companies in Taiwan for 4 years. • Sinyi Realty was honored by the Global Views Monthly Magazine for the first prize of “the CSR Grand Survey- Service Industry Group” and the Model of “Eco-Friendly Group”. • The Company was awarded for the 12th time by 《Commonwealth Magazine》 “The Grand Award as the Commonwealth Model Citizen. • Sinyi Realty was honored by TAISE for “2018 Global Corporate Sustainability Awards” and 4 times in a row obtain recognition for “Best Taiwan company Sustainability Awards”.
Year 2017	<ul style="list-style-type: none"> • For as astonishingly as 24 years in a row, Sinyi won the supreme honors of No. 1 among all realty service houses in the “Survey of Ideal Brand from View of Consumers” conducted by the 《Management Magazine》 . • Our diligence in "One family in Community" project is honored with Presidential Cultural Award. For 13 years, we have been committed to nationwide community building activities and provided hope to local residence who lack of resource. • Sinyi won “Five-star Service Award” granted by Global Views Monthly, as First Place in the realty agency. • Sinyi Realty has won the Best Corporate Sustainability Report Award for two years in a row. Also, Sinyi Realty has won 'The Most Prestigious Sustainability Awards-Top Ten', 'Best Performance of Transparency and Integrity Award', 'Best Performance of Social Inclusion Award', 'Best Performance of Climate Leadership Award', and 'Growth through Innovation Award'. • Sinyi won the 26th environmental awards by Environmental Protection Administration in Taiwan. • For 13 years in a row, Sinyi has won the first place of “Service Prize” in realty agency industry from Next magazine • We obtained certification by Taiwan Sport Administration for year 2017. • Sinyi was awarded for the 11th time by 《CommonWealth Magazine》 “The Grand Award as the CommonWealth Model Citizen”. • Sinyi has won the first place of “the most influence brand” in realty agency industry surveyed by MANAGER Today magazine • Our belief “cultivating corporation ethics and building up a sociality fulfilled with mutual trust and right things” honored at Asia Responsible

	<p>Entrepreneurship Awards for 2 years in a row.</p> <ul style="list-style-type: none"> • For three years in a row, Sinyi was ranked among the Top 5%” in the First Corporate Governance Appraisal by the Taiwan Stock Exchange Corporation (TWSE). • We are awarded by the first place of “2017 Golden Service Prize” in realty agency industry from common wealth magazine. • Our Subsidiary, Shanghai Sinyi Real Estate Inc. was awarded as “Credit Construction Enterprise” within the highest star as Five-Star Credit Enterprise in the real estate industry for eleven years in a row. • Our subsidiary, Shanghai Sinyi Real Estate Inc., was awarded among the “Top 30 Best Employers of Shanghai, China, 2017” . • Our Subsidiary, Shanghai Sinyi Real Estate Inc. become “best institution for statistics work” • Our subsidiary, Sinyi Shanghai Real Estate’s residential project "Sinyi Jiating" won The Magnolia award, the highest praise for Shanghai project. • The Company’s Subsidiary, Shanghai Sinyi Real Estate Inc. was awarded as “Credit Construction Enterprise” within the highest star as Five-Star Credit Enterprise in the real estate industry for 11 years in a row. • Our subsidiary, Sinyi’s Shanghai was honored with the "Outstanding Work in Shanghai Real Estate Pricing Survey." • Our subsidiary, Sinyi Suzhou was invited to participate in the editing the “Real Estate Brokerage Service Standards of Jiangsu Province”. • We won the 26th "Corporate Environmental Protection Award" issued by the Environmental Protection Administration of the Executive Yuan. • Our subsidiary, Sinyi Shanghai, was awarded among the “Top 30 Best Employers of Shanghai, China, 2017” • Our subsidiary, Sinyi Suzhou, was awarded among the “Top 10 Best Employers of Shanghai, China, 2017” . • The Sinyi Jiating Volunteer Community Empowerment Network organized by our subsidiary, Sinyi Real Estate, was assessed as the "Volunteer Base of Excellence", and the neighborhood station was assessed as the "Neighborhood Station of Excellence".
Year 2016	<ul style="list-style-type: none"> • For as astonishingly as 23 years in a row, the Company won the supreme honors of No. 1 among all realty service houses in the “Survey of Ideal Brand from View of Consumers” conducted by the 《Management Magazine》 . • The Company was honorably awarded in twelve years in a row by Next Magazine “The Prime No. 1 Service Award”, as No. 1 among entire real estate agent services. • The Company was awarded in four times by 《Commonwealth Magazine》 “Grand Prize for Gold Medal Service” that suggests the supreme honors of First Prize in the entire realty damage indemnity. • For nine years in a row, the Company was awarded by 《Business Today》 First Plaiice Honor in “Grand Survey of Ideal Brand Names in the Eyes of Merchants”.

	<ul style="list-style-type: none"> • The Company won the extraordinary honors of double championships from the 《30 Magazine》 in the “Young Generation Brand Survey” in the category of realty agent, i.e., the “Brand Favored Most” and “Brand Desired Most”. • The Company was awarded by the 《Taiwan Corporate Sustainability Awards, TCSA》 in the Categories of “The Most Prestigious Sustainability Awards-Top Ten Domestic Corporate”, “Co-Harmony Society Award”, “Talent Development” and “TOP50 Sustainable Enterprise Report Award in Realty & Construction Categories”. • The Company was awarded Double Prime Awards by 《Global Views Monthly》in Session Twelve the “Corporate Social Responsibility Award” in the “Happiness Enterprise” and “Grand Annual CSR Survey in the group of service industries . • The Company was awarded as “Asia Responsible Entrepreneurship Awards 2016-Social Benefit Development” by the Enterprise Asia. • The Company was awarded for the tenth time by 《CommonWealth Magazine》 “The Grand Award as the CommonWealth Model Citizen”. • For two years in a row, the Company was ranked among the Top 5%” in the First Corporate Governance Appraisal by the Taiwan Stock Exchange Corporation (TWSE). • The Company’s Subsidiary, Shanghai Sinyi Real Estate Inc. was awarded as “Credit Construction Enterprise” within the highest star as Five-Star Credit Enterprise in the real estate industry for ten years in a row. • The Company’s Subsidiary, Sinyi Real Estate (Shanghai) Ltd. also was awarded the honor of “Annual Excellent Taiwan-Funded Enterprises” by the Association of Taiwan Investment Enterprises in Shanghai. • The Company’s Subsidiary, Shanghai Sinyi Real Estate Inc., was awarded among the “Top 30 Best Employers of Shanghai, China, 2016”. • The Company’s Subsidiary, Suzhou Sinyi Real Estate Inc., was awarded among the “Top 10 Best Employers of Suzhou, China, 2016”. • The Company’s Subsidiary, Sinyi Real Estate (Shanghai) Ltd., was awarded as “The Superior Enterprise of Social Construction 2016” in Jiading district of Shanghai.
Year 2015	<ul style="list-style-type: none"> • For as astonishingly as 22 years in a row, the Company won the supreme honors of No. 1 among all realty service houses in the “Survey of Ideal Brand from View of Consumers” conducted by the 《Management Magazine》 . • The Company was honorably awarded by 《Infotimes》 Golden Awards of “Golden Finger Network Award XVI” for the sixth time. • For eight years in a row, the Company was awarded by 《Business Today》 First Plaiice Honor in “Grand Survey of Ideal Brand Names in the Eyes of Merchants”. • The Company was awarded by the Taiwan Institute for Sustainable Energy 《Award of Sustainable Taiwan Enterprise 2015》 in the Categories of “Co-Harmony Society Award”, “Climate Leader Award” and “TOP50 Sustainable Enterprise Report Award in Realty & Construction Categories”.

	<ul style="list-style-type: none"> • The Company won “Five-star Service Award” granted by Global Views Monthly, as First Place in the realty agency, and Second Place in cross-business lines. • The Company was honorably awarded in eleven years in a row by Next Magazine “The Prime No. 1 Service Award”, as No. 1 among entire real estate agent services. • The Company was awarded for the ninth time by 《CommonWealth Magazine》 “The Grand Award as the CommonWealth Model Citizen”. • The Company was ranked among the Top 5%” in the First Corporate Governance Appraisal by the Taiwan Stock Exchange Corporation (TWSE). • The Company won for the third time the honors of A++ Grade Award in the information disclosure awarded by the “Securities & Futures Institute”. • The Company won the supreme “Reputable Brand” awarded by 《Reader’s Digest》 for eight times in a row. • In the “The First Place of Revenues in House Broker Classification of Service Industry - Survey on Top Two Thousand Enterprises” conducted by 《CommonWealth Magazine》, the Company won the supreme honors as No. 1 among the real estate agent services in 21 years in a row. • The Company was acknowledged by 《Digital Era Business Next》 with the prominent honors of the “Award of Innovative Future Commerce” and “Award of the Best Customer Experience”. • The Company was awarded Double Prime Awards by 《Global Views Monthly》 in Session Eleven the “Corporate Social Responsibility Award” in the “Grand Annual CSR Survey in the group of service and finance industries”, “Outstanding Proposal in group of public interest promotion task force” . • The Company was awarded for the third time by 《Commonwealth Magazine》 “Grand Prize for Gold Medal Service” that suggests the supreme honors of First Prize in the entire realty damage indemnity. • The Company won the extraordinary honors of double championships from the 《30 Magazine》 in the “Young Generation Brand Survey” in the category of realty agent, i.e., the “Brand Favored Most” and “Brand Desired Most”. • The Company won the Extraordinary Performance Award of 2015 Influence Brands” conducted by 《Manager Today》 . • The Company’s Subsidiary, Shanghai Sinyi Real Estate Inc., won the “Golden Bridge Award” of Session XIV as well as the “Top 20 Plus Real Estate Agencies” from the Shanghai Real Estate Trade Association (SRETA). • The Company’s Subsidiary, Shanghai Sinyi Real Estate Inc., was awarded among the “Top 30 Best Employers of China, 2015”. • The Company’s Subsidiary, Shanghai Sinyi Real Estate Inc., was awarded among the “Best Employer of China for three times in a row.
Year 2014	<ul style="list-style-type: none"> • For as astonishingly as 21 years in a row, Sinyi Realty Inc. won the supreme honors of No. 1 among all realty service houses in the “Survey of Ideal Brand from View of Consumers” conducted by the 《Management Magazine》 .

- The Company was honorably awarded “Top Ten Sustainable Performance Models in Taiwan 2014”; “TOP50 Sustainable Performance Award – The Best Report Award of the Year”, “Common Harmonious Society Award” and “Supply Chain Management Award”.
- For seven years in a row, the Company was awarded by 《Business Today》 First Place Honor in “Grand Survey of Ideal Brand Names in the Eyes of Merchants”.
- The Company won the supreme No. 1 honors of the “Service Top Award” in the real estate agent services conducted by 《Next Magazine》 as the 10th time honors in a row.
- For eight years in a row, the Company won the honors of “Best Corporate Citizen Award” from 《CommonWealth Magazine》 ; Fourth Place of “Great Enterprise Category Award”, the first time honors even for the real estate agent services.
- The Company won for the second time the honors of A++ Grade Award in the information disclosure awarded by the “Securities & Futures Institute” .
- The Company won the Premier Award in the Category of Real Estate conducted by 《Business Next》 in “Digital Service Benchmark Enterprises”.
- The Company won the supreme “Reputable Brand” awarded by 《Reader’s Digest》 .
- The Company won the “Best Customer Service Center Award” in the “2014 Taiwan Service Industry Assessment” conducted by 《Commercial Times》 .
- The Company won the “Work and Life Balance Award” in Session One from the Ministry of Labor.
- In the “The First Place of Revenues in House Broker Classification of Service Industry - Survey on Top Two Thousand Enterprises” conducted by 《CommonWealth Magazine》, the Company won the supreme honors as No. 1 among the real estate agent services in 20 years in a row. (In and before Year 2012, the event was conducted as the Survey on top 1,000 manufacturers and top 500 service houses.)
- The Company won for the 8th time Award for “Corporation Hierarchy of responsibility toward the Society” in the 《Global Views Monthly》 Corporate Social Responsibility Award, the first time of such honors granted to real estate agent services in the category of the “Overall Performance” Model.
- The Company for the 5th time accredited by 《Taiwan Corporate Governance Association》 in terms of corporate governance evaluation verification.
- The Company won the Extraordinary Performance Award of 2014 Influence Brands conducted by 《Manager Today》 .
- The Company won the Premier Honors of No. 1 Prize in 11 years in a row in the category of real estate in the “Healthy Brand Survey” conducted by 《CommonHealth Magazine》 .
- The Company won the Premier Award as No. 1 in the category of real estate in “Brand Desired Most” of “Young Generation Brand Survey” conducted by 《30 Magazine》 .

	<ul style="list-style-type: none"> • The Company won the “Award of Superior Service Channels in the "Green Brand Survey” conducted by 《Business Next》 for three years in a row. • The Group’s Subsidiary Suzhou Sinyi was awarded the “Best Service Faithful Brokers in Suzhou Real Estate Broker Industry 2014” from Soufun Holdings Limited. • The Group’s Subsidiary Shanghai Sinyi won the honorable title as “Five Star Faithfull Venture Enterprise” from the Shanghai Real Estate Trade Association (SRETA). • The Group’s Subsidiary Shanghai Sinyi won the “Golden Bridge Award” of Session XIII as well as the “Top 20 Plus Real Estate Agencies” from the Shanghai Real Estate Trade Association (SRETA). • The Group’s Subsidiary Suzhou Sinyi was awarded the honors among the “Top Best Employers in Suzhou, China, 2014” conferred by Zhi Lian Recruitment. • The Group’s Subsidiary Shanghai Sinyi was awarded the honors among the “Top Best 30 Plus Employers in Shanghai China, 2014” conferred by Zhi Lian Recruitment in concert with Peking University (PKU) Corporate Social Responsibility & Employee Brand Name Communications Research Center.”.
Year 2013	<ul style="list-style-type: none"> • The Company was honorably awarded 《Taiwan Institute for Sustainable Energy》 “Taiwan Top 50 Enterprise Sustainable Report on Services” and “Transparent Faithful Performance Model”. • The Company was awarded by the Taipei City Government for six years in a row for Outstanding Performance as “Green Procurement Enterprise and Group”. • The Company was awarded by Taipei City Government Department of Labor for two years in a row for the “Certification Label for Hiring Mentally and Physically Handicapped People. • The Company was awarded by the Environmental Protection Administration, the Executive Yuan for the fourth time “Green Procurement Organization”. • The Company was awarded for the seventh time by 《CommonWealth Magazine》 “The Grand Award as the CommonWealth Model Citizen” . • The Company was honorably rated by Securities & Futures Institute of the Republic of China “A++Enterprise”, among the top 20 Plus among all firms listed on the Taiwan Stock Exchange or Over-the-Counter Securities Exchange. • The Company was honorably awarded by 《Manager Today》 with Premier Award among real estate agent services in the “Survey on Most Influential Brand Names 2013”. • The Company was honorably awarded by 《30 Magazine》 with extraordinarily double champions as the “Most Popular Brand Name in Use” and “Brand Name Best Desired to Own” in the “Survey on Young Era Brand Names” • The Subsidiary Shanghai Sinyi was awarded for the 11th time the 20-Plus Golden Bridge Award in Shanghai City. • Subsidiary of the Company Zhejiang Sinyi was honored as the “Most Satisfactory Real Estate Agent Services Brand in Zhejiang Markets.

	<ul style="list-style-type: none"> • The Subsidiary Suzhou Sinyi was awarded “Golden Tripod Award among Suzhou Real Estate Industry 2012, with Extraordinary Contribution by House 365. • The Subsidiary Suzhou Sinyi was awarded “Best Employer in Suzhou” and “Golden Neighborhood Award for Best Continuation in Gusu Area”.
Year 2012	<ul style="list-style-type: none"> • For the second time, the Company was honorably awarded 《CommonWealth Magazine》 “Grand Award for Golden Brand Services” as No. 1 among all real estate agent services. • For the 7th time, the Company was honorably awarded by 《Global Views Monthly》 “Award for Corporate Responsibility toward Society”. • The Company was honorably awarded by Industrial Development Bureau, Ministry of Economic Affairs “The Twenty-Plus of Innovative Enterprises in the Grand Survey on Innovative Enterprises in Taiwan 2012” • The Company was honorably awarded for the third time by 《Global Views Monthly》 as Outstanding Service Award as No. 1 in the real estate agent services. • The Company was honorably awarded by 《Commercial Times》 the Prime Golden Brand in the “Grand Evaluation of Service Industry Throughout Taiwan”. • The Company was honorably awarded in two years in a row by 《Business Next》 in the Premier Award as “Landmark Enterprise in Digital Services”. • The Company was honorably awarded 《Taiwan Institute for Sustainable Energy》 “The Golden Award of Sustainable Performance Report among Enterprises in Taiwan 2012”, “Best CSR Website Information Disclosure”. • The Company was honorably awarded by Department of Labor, Taipei City Government “Remarkable Mechanical Engineering of Blind Massagers in Taipei City in 2012”. • The Company was honorably awarded by Department of Labor, Taipei City Government with Certificate Badge of “Full Employment of Mentally and Physically Handicapped People”. • The Subsidiary Shanghai Sinyi was awarded “Four-Star Faithful Innovative Organization”, as the first enterprise among real estate agent services in entire Shanghai City.
Year 2011	<ul style="list-style-type: none"> • The Company was honorably selected among the Top 100 Brand Names in Taiwan” in celebration of the centennial for the founding of the Republic of China, as the sole one among the real estate agent services. • The Company was honorably awarded by 《CommonWealth Magazine》 the “Best Corporate Citizen”, as No. 5 among the huge enterprise category. • The Company was honorably awarded by the Industrial Development Bureau, Ministry of Economic Affairs “Among the Top 100 Innovative Enterprises”. • The Company was honorably awarded by the Ministry of Economic Affairs Outstanding Performance Award in “Innovative Enterprises Innovative Service Category”.

- The Company was honorably awarded by the Industrial Development Bureau, Ministry of Economic Affairs “The Touching Story in Faithful Undertaking among Enterprises in Taiwan”.
- The Company was honorably awarded by 《Department of Labor, Taipei City Government》 “Three-Star Award of Blessed Enterprise” as the sole one awarded among real estate agent services...
- The Company was honorably awarded for the fourth time by 《Reader’s Digest》 “Trustworthy Brand Name”, “Platinum Award in Real Estate Brokerage Agency”.
- Four shop heads of the Company were awarded by 《Taiwan Chain Stores and Franchise Association》 “Outstanding Shop Heads among All Shops of the Entire Country, XIV”, as the sole awardee among entire real estate agent services.
- The Company was honorably awarded by 《Taiwan Institute for Sustainable Energy》 “Best Sustainable Performance Report 2011: for the large scale service cases.
- The Company was awarded by the Taiwan Stock Exchange Corporation (TSEC) “Award for Outstanding Performance in Disclosure of Social Responsibility Reports among Giants Listed on the Taiwan Stock Exchange and Over-the-Counter Securities Exchange”.
- The Company was honorably awarded by Taiwan Corporate Governance Association for “CG6006 Advanced Level Certification”, with such honors in four years in a row (CG6003~CG6006).
- The Company was honorably awarded by the Ministry of Economic Affairs for two years in a row “Best Innovative Contribution Award”, as the sole winner among entire real estate agent services.
- The Company was honorably awarded by《CommonHealth Magazine》for eight years in a row, No. 1 among the entire real estate agent services.
- The Company was honorably awarded by 《Business Next》 “A piece of landmark Enterprises in Digital Services in Session One”, as No. 1 among entire real estate agent services.
- The Company was honorably awarded by 《Infotimes》 with three Golden Awards in “Golden Finger Network Award XII”, including “iPad House Review APP” to win “Network Application Programs (Web App) Commerce Award” and “Best Web App Program Award of the Year (Web App)”, as well as “I Present Best Housing” Web amidst “Web Advertisement Golden Award” among other awards, including “iPad House Review APP” which the Cross-Industry Grand Award of the Year.
- The Company was selected by 《Cheers Magazine》 among the Top 100 Best Admired Enterprises, as the sole winner among the entire real estate agent services.
- The Company was selected by 《Management Magazine》 “Among the Fifteen Best Desired Employers in the Eyes of University Students.

Year 2010	<ul style="list-style-type: none"> • The Company was honorably awarded by 《Infotimes, PChome Online》 three Golden Awards of “Golden Finger Network Award XI”, including “Integrated Marketing Category – Architectural Decoration”, “Web Service Category –the Contents”, “Cell Phone Application Program Category –Best Content Award”. • The Company was honorably awarded by Workforce Development Agency, Ministry of Labor for three years in a row “TTQS Training Quality Evaluation System”, Golden Brand Level Enterprise Award. • The Company was honorably awarded by 《Department of Commerce, MOEA》 “Outstanding Brand Award in Commercial Services in Taiwan III”. • The Company was honorably awarded by 《Environmental Protection Administration, Executive Yuan》 “Best Shop Award 2010”. • The Company was honorably awarded by Ministry of Economic Affairs “Outstanding Award of Industrial Technology Development”. • The Company was honorably awarded by 《Ministry of Culture》 “Warm Literature Award X”, with Golden Award and Best Talent Cultivation Award. • The Company was honorably awarded in four years in a row by 《CommonWealth Magazine》 “CommonWealth Citizen Award” as No. 1 among backbone enterprises. • The Company was honorably awarded by 《Cheers》 Magazine and 《Global Views Monthly》 【The Best Responsible Entrepreneur】 Top5, 【The Top 100 General Managers】 at Top 12. • The Company was honorably awarded in two years in a row by 《Global Views Monthly》 “Five-Star Award in the Grand Survey on Corporate Social Responsibility”. • The Company was honorably awarded in seven years in a row by Next Magazine “The Prime No. 1 Service Award”, as No. 1 among entire real estate agent services. • The Subsidiary Zhejiang was awarded the name of the “Best Satisfactory Brand Name in Quality in Zhejiang” and the “Model Enterprise of Real Estate Agency Services in Hangzhou”. • Subsidiary Beijing Sinyi won the title of “Grade I Real Estate Agent Services in Beijing City 2009”. • Subsidiary Shanghai Sinyi won the title of “One-Star Level Trustworthy Enterprise”
Year 2009	<ul style="list-style-type: none"> • The Company was honorably awarded by Workforce Development Agency, Ministry of Labor in two years in a row “National Training Quality Scoring Card TTQS” Golden Brand Level Certification, and was conferred upon TTQS Landmark Enterprise Award. • The Company was honorably awarded by Council of Labor Affairs (currently known as Ministry of Labor) “Human Resources Innovation Award V”, as the sole enterprise having been awarded the honors twice..

	<ul style="list-style-type: none"> The Company was honorably awarded by CommonHealth Magazine for six years in a row “Best Health Brand Name Survey” as No. 1 among real estate agent services.
Year 2008	<ul style="list-style-type: none"> Sinyi Website was honorably awarded for Golden Finger Network Award IX with “Web Advertising Key Word Advertising Category –Gold”, “Other Categories –Copper Award”, “Enterprises & Products Category –Real Estate –Silver Award”, “Activity & Web Category Real Estate/Decoration Category –Silver Award, Copper Award, Best Award”; Media and Service Categories –Others –Best Award” among numerous other honors.
Year 2007	<ul style="list-style-type: none"> The Company was honorably awarded by CommonWealth Magazine in thirteen years in a row “Top 100 Service Giants”; No. 1 among real estate agent services real estate brokerage (1995~ 2007) The Company e-Digital Reception Service was honorably awarded by the Republic of China Information Month “Outstanding Information Application Product Award”. The Company Web was honorably awarded “Golden Finger Network Award VIII”, “Best Web of the Year Award”, “Website Real Estate/Decoration Category/Golden Finger Award, Silver Finger Award, Best Award”, “Web Advertising Category –Others” among lots of other honors.
Year 2006	<ul style="list-style-type: none"> Online House Review, peripheral information search and such characteristics information services. The Company Website was awarded by Department of Commerce, Ministry of Economic Affairs and Institute for Information Industry as the sole one of the entire country awarded e21 Golden Web Award. The Company was honorably awarded by CHEERS Happy Worker Magazine the Best Employer. Among 42 keen candidates competing for the Best Employer Award, the Company along with five others significantly stood out, as the representative landmark to best encourage talented human resources and to cultivate happy employee momentum. The Company was honorably awarded by ASiAMONEY Magazine “The Best Management Enterprise in Taiwan 2005”. The Company became highly approved in the performance in Chinese markets, and was conferred by The State Council, The People’s Republic of China “the First Runner-up among 100 Brokers in China. The Company was honorably awarded jointly by Shanghai Trademark Association, Shanghai Real Estate Trade Association (SRETA) and Shanghai Consumer Council “Best Concerned Brand Name in Shanghai”.
Year 2005	<ul style="list-style-type: none"> The Company was evaluated as the extraordinary performance by Department of Commerce, MOEA in concert with Taiwan Chain Franchise Association Headquarters. The Company was honorably awarded Outstanding Service Award by CommonWealth Magazine “2005 while CommonWealth Magazine evaluated all enterprises about innovative services. The Company won such honors with” Readily Available House Escrow in Full Mark Services”.

	<ul style="list-style-type: none"> • The Company was honorably awarded by Executive Yuan (the Cabinet) in the National Quality Award in Session XVI, in the customer satisfaction level survey, where the Company was rated as high above par enterprises, with “full-rate system” to strive for full-mark services, as the sole winner for such honors after the financing industry. • The Company was honorably awarded by Council of Labor Affairs in Human Resources Innovation Award in Session One, as the sole one of the national level for the human resources development, as the supreme honors in the human resources world. • The Company was ranked No. 1 in the real estate agent services with “Strategic Service Award” pursuant to the grand survey conducted by the Global Views Monthly over 87 service giants. • The Company provided 360-degree interacting house viewing services and won the “Best Enterprise Award” and “Best Web Technology Application Award” of Golden Finger Network Award VII jointly conferred upon by the China Times and PC Home. • The Company received renewed approval for performance in Chinese markets, and was awarded “2004~2005 Best Franchise Brand name in China”.
Year 2003	<ul style="list-style-type: none"> • In the 【e-21 Golden Net Award】 jointly sponsored by the Department of Commerce, Ministry of Economic Affairs and Institute for Information Industry, the Company won the Outstanding Award, as the sole winner among the entire real estate agent companies.
Year 2001	<ul style="list-style-type: none"> • In “e-Value Grand Survey over 100” conducted by eCommonWealth Magazine , the Company was the sole one selected among all real estate agent companies.
Year 1998	<ul style="list-style-type: none"> • The Company was honorably awarded in two years in a row by CommonWealth Magazine as a piece of landmark enterprise for the enterprise goodwill survey.
Year 1996	<ul style="list-style-type: none"> • “Real Estate Guide Book” produced by the Company was awarded as the Outstanding Quality Program VII for the remarkable production procedures.
Year 1995	<ul style="list-style-type: none"> • The Company was honorably awarded by CommonWealth Magazine the Supreme Honor of No. 1 in the brokerage service category in the “Survey over Top 1000 manufacturers and Top 500 Service Houses”.
Year 1989	<ul style="list-style-type: none"> • The Company was rated No. 1 in the “Scoring Survey in Marketing Power of the Top Nine Lines” conducted by Harvard Management Services, Inc.

IV. Merger and acquisition activities and strategic investments in affiliated enterprises with respect to the most recent fiscal year as well as the current fiscal year up to the date of publication of the annual report:

1. Merger and acquisition activities: Nil.
2. Strategic investments in affiliated enterprises: Please refer to Chapter 9 for more information.

V. Corporate reorganization with respect to the most recent fiscal year as well as the current fiscal year up to the date of publication of the annual report: Nil.

VI. Instances in which a major quantity of shares belonging to directors, supervisors,

or shareholders holding greater than a 10 percent stake in the Company is transferred or otherwise changes hands or any change in managerial control with respect to the most recent fiscal year as well as the current fiscal year up to the date of publication of the annual report: Nil.

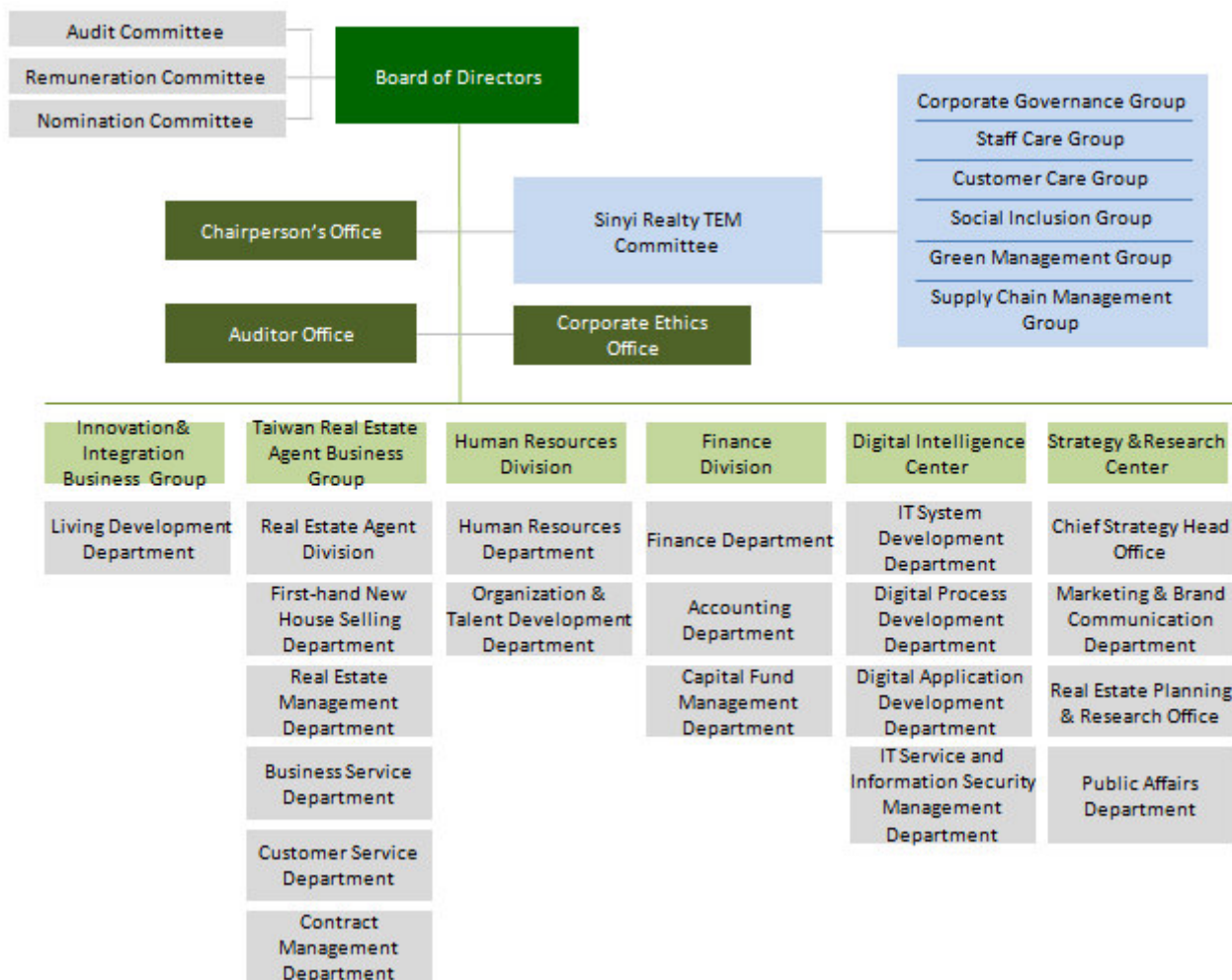
VII. Material change in operating methods or type of business with respect to the most recent fiscal year as well as the current fiscal year up to the date of publication of the annual report: Nil.

VIII. Any other matters of material significance that could affect shareholders' equity with respect to the most recent fiscal year as well as the current fiscal year up to the date of publication of the annual report: Nil.

Chapter Three. Corporate Governance Report

I. Organization

(I) Organization chart (As of March 31, 2019)



(II) Business operation of a variety of departments:

Departments	Contents of duties
Chairperson's Office	Implement the major decisions resolved in the board of directors and guide the managers to enact major policymaking process. Coordination and integration of the resource and the teamwork in the group.
Auditor Office	Help the board of directors and the management check if the audit findings of the internal control have been implemented and offer timely proposal for improvement so as to assure that the internal control system could be implemented in an effective way as the grounds for review and amendment of the internal control system.
Corporate Ethics Office	Assume the responsibility for putting into implementation thoroughly of "faithfulness, ethics" philosophy, setting up moral ethics norms and creating corporate moral culture and intensifying the constitution of the entire conglomerate.

Departments		Contents of duties
Strategy & Research Center	Chief Strategy Head Office	Assume the responsibility to plan and carry out group strategies, to promote affairs of sustainability development, to plan and review annual plans of the Group and pre-survey of new business.
	Real Estate Planning & Research Office	Carry out analyses on real estate markets and businesses, provide business management policymaking process and operating revenues and launch interchanges with business, academic celebrities in interactions.
	Marketing & Brand Communication Department	Map out a variety of operating & marketing plans for the long-term and short-term goals, set up a variety of policies and measures to satisfy customers and boost business performance and enhance Sinyi brand image.
	Public Affairs Department	Assume the responsibility for implementation of public benefits related programs.
Real Estate Agent Division		Assume the responsibility for brokerage promotion, implement reforms, solicit, cultivate brokerage human resources and take charge of their duties.
First-hand New House Selling Department		Provide customers with domestic and first-hand sluggish sales and integrate its marketing channels with branch stores of Real Estate Agent Division through "Sinyi comprehensive real estate platform" to expand brokerage services.
Real Estate Management Department		Assume the responsibility for management and leasehold of the premises of Sinyi Headquarters.
Business Service Department		Assume the responsibility for communications, offer incentives for sales promotion, publicizing business philosophy, managing, dispatching secretaries to branches internally, and taking pictures of the property for "Online interaction for house review and inspection", and take responsibility of the planning and execution of the business plan and the implementation of project of Real Estate Agent Division.
Customer Service Department		Assume the responsibility for customer consultation, customer services, enhancing customer satisfaction and solve legal issues or disputes with customers, if any. Also, maintain the client relationship.
Contract Management Department		Assume the responsibility for coordination and providing the guide for the cooperation between our land administration agents and each branch stores so as to assist in the services related to realty estate transfer and the property collateral mortgage.
Digital Intelligence Center	IT System Development Department	Assume the responsibility for integrated planning,, development and maintenance & upkeep services, database setup and management, for the information systems of the Company and its subsidiaries, control over and improvement of the quality of information as well as application of the up-to-date information know-how.
	IT Services and Information Security Management Department	Assume the responsibility for the information security policy, planning and implementation of the Company and its subsidiaries; network architecture construction and management; mainframe, PC and peripheral equipment, software / hardware procurement and management;

Departments		Contents of duties
Digital Intelligence Center		handling of information related service issues.
	Digital Process Development Department	Assume the responsibility for development and maintenance for the official websites, application of tools for internet marketing, development and process integration of digital management tools for the real estate agent branches.
	Data Application and Development Department	Assume the responsibility for data application and innovation and utilization digital media to accurately contact customers, and instantly understanding customer needs. Conduct online and offline integration activities to enhance quality of decision-making and optimize client experience. Dig into big data base both to improve efficiency of internal process, and service innovation.
Division of Finance	Finance Department	Assume the responsibility for investment, budgeting, cost accounting and assistance in the matters of Corporate Governance.
	Accounting Department	Assume the responsibility for accounting and taxation reporting related issues.
	Funding Management Department	Assume the responsibility for funding management, financing planning, cashier affairs, dealing with financial product and hedge.
Innovation& Integration division	Living Development Department	Assume the responsibility for establishment of mechanism to assist the branch stores promoting the community event and the tool in needs, as well as assistance with our branch stores in launching the community events, promote the close ties by and between branches and local communities, and create our new value of our staff in each community and provide recommendation for interior design, refurbishment, relocation, cleaning.
Human Resources Division	Human Resources Department	Assume the responsibility for development on human resources and personnel management into sound development and management of fringe benefit systems for employees and launch solicitation and educational & training programs for employees, as well as the administrative and general affairs, large-scale unified procurement services with assistance in branches to open and relocate stores and such general affairs.

II. Directors and Management Team:

Information on Directors

March 31, 2020

Title	Nationality or the venue of registry	Name	Sex	Date of on Board (mm/dd/yy)	Term (mm/dd/yy)	Date of on Board for the First Time (mm/dd/yy)	Shareholding When on Board		Shareholding for the Time Being		Shareholding of the Spouse, Underage Children for the Time Being		Shareholding Held in the Name of a Third Party		Main Experience/Educational Background (Note 1)	Concurrent Positions in the Company and Other Companies at present	Other Managers, Directors or Supervisors that Have Spousal Relationship or are within the Second Degree of Kinship with the Concerned Director/Supervisor		
							Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio			Title	Name	Relation
Chairperson	Taiwan, R.O.C.	Sinyi Co., Ltd.	male	05/24/2019	05/23/2022	04/03/1998	210,238,285	28.53%	210,238,285	28.53%	-	-	-	-	Vice Chairperson of the Company General Manager of the Company General Manager of Shanghai Sinyi Real Estate Inc. EMBA, Commerce Group, College of Management, National Taiwan University Dept. of Business Administration, National Cheng Kung University	CEO of platform business of Sinyi Group Chairperson of the Company's affiliated enterprise	-	-	-
		Representative of Sinyi Co., Ltd. : Hsueh Chien-Ping (note 2)				05/27/2004	3,758	-	3,758	-	-	-	-	-			-	-	-
Vice Chairperson	Taiwan, R.O.C.	Sinyi Co., Ltd.	female	05/24/2019	05/23/2022	04/03/1998	180,277,601	28.53%	210,238,285	28.53%	-	-	-	-	Chairperson of the Company EMBA, National Taiwan University of Science and Technology	Director or Chairperson of the Company's affiliated enterprise (Note 4) Chairperson of Sinyi Interior Design Co., Ltd. Director of Sinyi Culture Foundation Director of Sinyi Charity Foundation	Director	Chou Chun-Chi	Spouse
		Representative of Sinyi Co., Ltd. : Chou Wang Mei-Wen (note 2)				01/21/1987	3,613,239	0.49%	3,613,239	0.49%	9,378,622	1.27%	-	-			-	Senior manager	Chou Ken-Yu
Director	Taiwan, R.O.C.	Chou Chun-Chi	male	05/24/2019	05/23/2022	01/21/1987	9,378,622	1.27%	9,378,622	1.27%	3,613,239	0.49%	-	Chairperson of the Company General Manager of the Company Bachelor of Dept. of Law, Chinese Culture University	Director or Chairperson of the Company's affiliated enterprises (Note 4) Managing Director of Commerce Development Research Institute Director of Prospect Hospitality Co., Ltd. Chairperson of Sinyi Culture Foundation	Vice Chairperson	Chou Wang Mei-Wen	Spouse	
																Senior manager	Chou Ken-Yu	Father and son	
Independent Director	Taiwan, R.O.C.	Hong San-Xiong	male	05/24/2019	05/23/2022	05/20/2016	-	-	-	-	-	-	-	Chairperson of Waterland Financial Holdings Co., Ltd. Chairperson of International Bills Finance Corp. Chairperson of Taiwan Asset Management Corporation Independent Director of China Steel Inc. Independent Director of Aurora Corporation Director of Taiwan External Trade Development Council Director of China Airlines Co., LTD. Chairperson of Taiwan Financial Asset Service Corporation. Bachelor, Dept. of Law, National Taiwan University	Chairperson of Waterland Securities Co., Ltd. Chairperson of Waterland Futures Co., Ltd. Director of Waterland Financial Holdings Co., Ltd.	-	-	-	
Independent Director	Taiwan, R.O.C.	Jhan Hong-Chih	male	05/24/2019	05/23/2022	05/20/2016	-	-	-	-	-	-	-	Publisher of PC Home Publications Group. Editor of Wonshine version of United Daily News. President of Cite' Publishing Group General Manager and Editor in chief of Yuan-Liou Publishing Co., Ltd. Bachelor, Dept. of Economic, National Taiwan University	Chairperson of PChome online Inc. Chairperson of PChomePay Inc. Independent Director of Asmedia Technology Inc. Independent Director of Lion Travel Service Co., Ltd. Chairperson of PChome Store Inc. Chairperson of Rakuya International Info. Co., Ltd. Chairperson of PChome eBay Co., Ltd. Chairperson of Linktel Inc.	-	-	-	
Independent Director	Taiwan, R.O.C.	Yen Lou-Yu	male	05/24/2019	05/23/2022	05/23/2017	-	-	-	-	-	-	-	Vice Chairperson and General Manager of Vincera Capital Chief Strategy Officer, Partnership of Customers and Market of Deloitte & Touche (China) Partnership of Deloitte & Touche (Taiwan) General Manager of Deloitte & Touche Management Consulting Lecturer of National Cheng Kung University Master, Dept. of Accounting, National Cheng Chi University	Independent Director of Chunghwa Telecom Co. Ltd. Independent Director of Eslite Spectrum Corp. Ltd. Director of Alibaba Entrepreneurs Fund (Taiwan) Representative Director of Chinese Television Service Corp. Director of Social Enterprise Insights Corp.	-	-	-	

Title	Nationality or the venue of registry	Name	Sex	Date of on Board (mm/dd/yy)	Term (mm/dd/yy)	Date of on Board for the First Time (mm/dd/yy)	Shareholding When on Board		Shareholding for the Time Being		Shareholding of the Spouse, Underage Children for the Time Being		Shareholding Held in the Name of a Third Party		Main Experience/Educational Background (Note 1)	Concurrent Positions in the Company and Other Companies at present	Other Managers, Directors or Supervisors that Have Spousal Relationship or are within the Second Degree of Kinship with the Concerned Director/Supervisor		
							Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio			Title	Name	Relation
Independent Director	Taiwan, R.O.C.	Li Yi-Li	female	05/24/2019	05/23/2022	05/24/2019	-	-	-	-	-	-	-	-	Senior Vice President of Standard Chartered Bank (Taiwan) Limited, Global Enterprise Devision Vice President, Credit Agricole Corporate and Investment Bank Manager of Citi Taiwan Ltd. Master of Business Administration Rutgers University Bachelor in Finance, National Taiwan University President Class at Harvard Business School	Vice Chairperson, Maywufa Co, Ltd. Director, PhytoHealth Corp. Director and CEO, AmCad BioMed Corp. Director, Broadsound Corp. Director of Maywufa Cosmetics (Shanghai) Ltd. Director, Taiwan Incubator SME Development Corporation Director of Lutna Corporation Supervisor, The Taiwan Bio Industry Organization	-	-	-

Note 1: The Company's directors and the relevant experiences linked up with current positions. During the aforementioned period, the directors have never served with the Certified Public Accountant Office in charge of the Company's audit or affiliated enterprises thereof.

Note 2: Directors as representatives of juristic person shareholders: For more details regarding major shareholders of the juristic person shareholders and major shareholders of the juristic person shareholders as juristic (corporate) persons, please refer to the ensuing page (II), descriptions under the list of major shareholders.

Note 3: The chairperson of the board of directors and the general manager or the person of an equivalent post (the highest level manager) of the Company is not the same person, spouses, or relatives within the first degree of kinship.

Note 4: Please refer to the relevant information and data of the affiliated enterprises (page.9-9~9-21).

Name list of major shareholders

1. Where the directors were juristic person shareholders, the shareholding ratio held by such juristic person shareholders to the top ten shareholders, the names and percentages

March 31, 2020

Names of the Juristic Person Shareholders	Major Shareholders of Juristic Person Shareholders	Shareholding Ratio
Sinyi Co., Ltd.	Yu Heng Co., Ltd.	100.00%

2. Where the major shareholders of juristic person shareholders among those on the aforementioned list, the shareholding ratio held by such juristic person shareholders to the top ten shareholders, the names and percentages.

March 31, 2020

Names of the Juristic Persons	Major Shareholders of the Juristic Persons	Shareholding Ratio
Yu Heng Co., Ltd.	Chou Chun-Chi	70.06%
	Chou Ken-Yu	9.99%
	Chou Chun-Hao	9.99%
	Chou Chun-Heng	9.96%
	Chou Wang Mei-Wen	0.00%

Qualification of each director

March 31, 2020

Terms	Meet One of the Following Professional Qualification Requirements, Together with at Least Five Years Work Experience			Independence Information (Note)												Number of the Other Public Companies in Which the Concerned Director Acts Concurrently as an Independent Director
	An instructor in or a higher position in a department of commerce, law, finance, accounting, or other academic department related to the business needs of the Company in a public or a private junior college, college, or university	A judge, public prosecutor, attorney, certified public accountant, or other professional or technical specialists who has passed a national examination and been awarded a certificate in a profession necessary for the business of the Company	Have work experience in the area of commerce, law, finance, or accounting, or otherwise necessary for the business of the Company	1	2	3	4	5	6	7	8	9	10	11	12	
Name																
Legal representative of Sinyi Development Inc.: Hsueh Chien-Ping		✓	✓			✓	✓		✓	✓	✓	✓	✓	✓		-
Legal representative of Sinyi Development Inc.: Chou Wang Mei-Wen			✓	✓					✓	✓		✓		✓		-
Chou Chun-Chi			✓	✓						✓		✓		✓	✓	-
Hong San-Xiong			✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	-
Jhan Hong-Chih			✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	2
Yen Lou-Yu	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	2
Li Yi-Li			✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	-

Note: Where the directors have served in such condition meeting any event that falls within a situation among those enumerated below within two (2) years before being appointed, mark "✓" on the codes so represented below.

Not an employee of the Company or any of its affiliated enterprises.

Not a director or supervisor of the Company or any of its affiliates (not applicable in cases where the person is an independent director of the Company, its parent company, subsidiary, or the subsidiary of the same parent company in accordance with the Act or with local laws).

Not a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate amount of one percent or more of the total number of issued shares of the company or ranks as one of its top ten shareholders.

Not a spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship of a manager in (1) or personnel in (2) and (3).

Not a director, supervisor, or employee of a corporate shareholder that directly holds 5% or more of the Company's outstanding shares, a top five shareholder, or appointed as the Company's director or supervisor in accordance with Article 27, Paragraph 1 or 2 of the Company Act (not applicable in cases where the person is an independent director of the Company, its parent company, subsidiary, or the subsidiary of the same parent company in accordance with the Act or with local laws).

Not a director, supervisor, or employee of other companies controlled by the same person with over half of the Company's director seats or shares with voting rights (not applicable in cases where the person is an independent director of the Company, its parent company, subsidiary, or the subsidiary of the same parent company in accordance with the Act or with local laws).

Not a director, supervisor, or employee of another company or institution who is the same person or spouse of the Company's chairperson, president or equivalent position (not applicable in cases where the person is an independent director of the Company, its parent company, subsidiary, or the subsidiary of the same parent company in accordance with the Act or with local laws).

Not a director, supervisor, or executive officer of a specific company or institution with financial or business dealings with the Company, or shareholder with 5% or more shares of the Company (not applicable in cases where the specific company or institution holds 20% or more but less than 50% of the Company's outstanding shares, and is an independent director of the Company, its parent company, subsidiary, or the subsidiary of the same parent company in accordance with the Act or with local laws).

Not a professional individual who, or an owner, partner, director, supervisor, or manager of a sole proprietorship, partnership, company, or institution that audited or provided commercial, legal, financial, or accounting services for total compensation not exceeding NT\$500,000 in the most recent two years to the company or to any affiliate of the company, or a spouse thereof. This does not apply to members of the Remuneration Committee, Public Tender Offer Review Committee, or Merger and Acquisition Special Committee performing duties in accordance with the Securities and Exchange Act or laws and regulations related to mergers and acquisitions.

Not having a marital relationship, or a relative within the second degree of kinship to any other director of the company;

Not been a person or any conditions defined in Article 30 of the Company Act.

Not under Article 27 of the Company Act with government, juristic person or the representative thereof successfully elected.

Information on General Manager, Vice General Managers, Senior Managers and the Managers of Each Department and Branch

March 31, 2020

Title	Nationality	Name	Gender	Date of on Board (mm/yy/dd)	Shareholding		Shareholding of the Spouse and Underage Children		Shareholding Held in the Name of a Third Party		Main Experience/Educational Background (Note 1)	Concurrent Positions in Other Companies at Present	Other Managers that Have Spousal Relationship or are within the Second Degree of Kinship with the Concerned Person		
					Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio			Title	Name	Relation
General Manager	Taiwan, R.O.C.	Liu Yuan-Chih	male	08/01/2016	-	-	10,525	-	-	-	Vice General Manager of Home Service Department of the Company General manager of Ke Wei Shanghai Real Estate Management Consulting Inc. Global Division EMBA, National Chengchi University Bachelor of Dept. of International Trade, Feng Chia University	(Note2)	-	-	-
CEO of Group Platform Business	Taiwan, R.O.C.	Hsueh Chien-Ping	male	08/01/2016	3,758	-	4,824	-	-	-	Vice President and General Manager of the Company General Manager of Shanghai Sinyi Real Estate Inc. EMBA, Commerce Group, College of Management, National Taiwan University Bachelor of Dept. of Business Administration, National Cheng Kung University	(Note2)	-	-	-
General Manager of Innovation& Integration Business Group	Taiwan, R.O.C.	Su Jyun-Bin (Note 3)	male	05/07/2019	-	-	-	-	-	-	Director-general, Government Information Office Director-general, Dept. of Environment Protection, Taoyuan Doctor, Dept. of Environment Engineering, National Taiwan University Master, Dept. of Environment Engineering, Cheng Kung University	(Note2)	-	-	-
Ethics Director	Taiwan, R.O.C.	Yang Pai-Chuan (Note 4)	male	08/01/2014	79,170	0.01%	-	-	-	-	Associate Professor, Dept. of Business Administration, Fu Jen Catholic University PhD, College of Management, Fu Jen Catholic University	Nil	-	-	-
Chief Strategy Officer	Taiwan, R.O.C.	Chou Chuang Yun	male	01/01/2010	365,566	0.05%	22,094	-	-	-	Senior manager, Marketing Department of the Company Master of College of Management, National Taiwan University	(Note2)	-	-	-
Vice General Manager of Digital Intelligence Center	Taiwan, R.O.C.	Chen Li-Hsing	female	04/01/2018	511,446	0.07%	-	-	-	-	Senior Manager of Real Estate Agent Division in the Company Senior Manager of Management Information System (MIS) Department in the Company EMBA, Institute of Business Administration, National Chung Hsing University	Nil	-	-	-
Auditor-General	Taiwan, R.O.C.	Chou Su-Hsiang	female	08/01/2014	812,981	0.11%	-	-	-	-	CFO of the Company EMBA, Business Administration- Advanced Finance Class, National Chengchi University Bachelor of Dept. of Land Economics, National Chengchi University	Nil	-	-	-
Chief financial officer	Taiwan, R.O.C.	Wang Jun-Yen	Male	07/17/2018	-	-	-	-	-	-	Vice General Manager of Taipei Fubon Bank Master of Business Administration, University of Oklahoma	Nil	-	-	-
Vice General Manager of Public Affairs Department	Taiwan, R.O.C.	Lin Jun-An	male	11/01/2018	-	-	-	-	-	-	Vice General Manager of Apple Daily Publication Development Limited Bachelor of Science of Mechanical and Material, Far East University	Nil	-	-	-
Vice General Manager of Innovation& Integration Business Group	Taiwan, R.O.C.	Su Shou-Jen	male	04/01/2018	196,302	0.03%	583,094	0.08%	-	-	Vice General Manager of Selling Agency Division in the Company Vice General Manager of Real Estate Agent Division in the Company Bachelor of Dept. of Mathematics, Tamkang University	Nil	-	-	-
Vice General Manager of Innovation& Integration Business Group	Taiwan, R.O.C.	Tsai Chi-Yen	male	04/01/2018	-	-	-	-	-	-	Senior Executive Vice President, HSBC Bank (China) Executive Vice General Manager, K Bridge Electronics Co., Ltd. PhD, Graduate Institute of Management Science, Central South University, China Master of Institute of Computer Science and Information Engineering, National Cheng Kung University	(Note2)	-	-	-
Vice General Manager of Real Estate Agent Division	Taiwan, R.O.C.	Xin Hong-Jun	male	07/01/2016	529	-	16,773	-	-	-	Vice General Manager of Real Estate Agent Division in the Company General manager of Shanghai Sinyi Real Estate Inc., the Company's subsidiary 5-year junior college of Electronic Data Processing, Tamsui Oxford University College	(Note2)	-	-	-
Vice General Manager of Real Estate Agent Division	Taiwan, R.O.C.	Feng Chi-Yi	male	01/01/2010	2,088	-	-	-	-	-	General manager of Beijing Sinyi Real Estate Ltd., the Company's subsidiary Senior Manager of Real Estate Agent Division in the Company EMBA, Institute of Automation Technology and Management, National Taipei University of Technology	Nil	-	-	-
Vice General Manager of First-hand New House Selling Department	Taiwan, R.O.C.	Lee Shao-Kang	male	01/01/2011	12,373	-	186,996	0.03%	-	-	Vice General Manager of Real Estate Agent Division in the Company Vice General Manager of Real Estate Agent Division in the Company EMBA, Graduate School of Business Administration, National Taiwan University of Science and Technology	Nil	-	-	-
Senior Manager of Human Resource Department	Taiwan, R.O.C.	Chan Shu	male	02/21/2018	-	-	262,899	0.04%	-	-	General Manager of Ke Wei Shanghai Real Estate Management Consulting Inc., the Company's subsidiary Bachelor of Dept. Harbor and River Engineering, National Taiwan Ocean University	Nil	-	-	-
Senior Manager of Customer	Taiwan, R.O.C.	Liu Wei-Te	male	03/01/2012	-	-	-	-	-	-	Attorney, Huang & Partners Law Firm	Nil	-	-	-

Title	Nationality	Name	Gender	Date of on Board (mm/yy/dd)	Shareholding		Shareholding of the Spouse and Underage Children		Shareholding Held in the Name of a Third Party		Main Experience/Educational Background (Note 1)	Concurrent Positions in Other Companies at Present	Other Managers that Have Spousal Relationship or are within the Second Degree of Kinship with the Concerned Person		
					Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio			Title	Name	Relation
Service Department											Bachelor of Dept. of Law, National Taiwan University				
Senior Manager of Finance Department	Taiwan, R.O.C.	Chen Chih-Huan	male	02/24/2011	42,762	0.01%	-	-	-	-	Manager, Deloitte Touche Tohmatsu Limited Master of Dept. of Accounting, Soochow University	(Note2)	-	-	-
Senior Manager of Accounting Department	Taiwan, R.O.C.	Lin Chiu-Chin	female	08/01/2014	33,664	-	488,725	0.07%	-	-	Master of Finance Group, Institute of International Business Administration, Chinese Culture University	(Note2)	-	-	-
Senior Manager of Business Service Department	Taiwan, R.O.C.	Chang Ching-Chih	female	01/01/2014	89,713	0.01%	-	-	-	-	Bachelor of Dept. of Business Administration, China College of Technology	Nil	-	-	-
Senior Manager of Real Estate Planning & Research Office	Taiwan, R.O.C.	Su Chi-Rong	male	01/01/2017	24,938	-	-	-	-	-	Bachelor of Department of Urban Planning, National Cheng Kung University.	Nil	-	-	-
Senior Manager of Living Development Department	Taiwan, R.O.C.	Hsu Ling-Ling (Note 3)	female	04/01/2018	4,664	-	-	-	-	-	Bachelor of Department of International Trade, Chinese Culture University	Nil	-	-	-
Manager of Digital Process Development Department	Taiwan, R.O.C.	Chang Ya-Hsi	female	04/01/2018	-	-	-	-	-	-	Master of Department and Graduate Institute of Political Science, National Chung Cheng University	Nil	-	-	-
Senior Manager of Innovation & Integration Business Group	Taiwan, R.O.C.	Liu Yu-Rong (Note 3)	male	05/07/2019	91,991	0.01%	45,695	0.01%	-	-	Bachelor of Dept. of Business Administration, Feng Chia University	Nil	-	-	-
Senior Manager of Data Application and Development Department	Taiwan, R.O.C.	Chiang Yuan-Chi (Note 3)	male	01/01/2020	249,958	0.03%	-	-	-	-	Master of Institute of Computer Management, National Chiao Tung University	Nil	-	-	-
Senior Manager of IT Services and Information Security Management Department	Taiwan, R.O.C.	Hsu Chien-Hao (Note 3)	male	01/01/2020	-	-	-	-	-	-	Master of Dept. of Information Management, National Central University	Nil	-	-	-
Senior Manager of IT System Development Department	Taiwan, R.O.C.	Tso Hsin-Chiang (Note 3)	male	01/01/2020	29	-	300	-	-	-	Master of Dept. of Information Management, Yuan Ze University	Nil	-	-	-
Marketing & Brand Communication Department	Taiwan, R.O.C.	Liu Ta-Cheng (Note 3)	male	01/30/2020	-	-	-	-	-	-	EMBA, National Chiao Tung University Master of Dept. Information Communication, Yuan Ze University	Nil	-	-	-
Senior Manager of Real Estate Agent Division	Taiwan, R.O.C.	Chen Hsu-Chieh	male	07/01/2002	106,589	0.01%	37,134	0.01%	-	-	Bachelor of Dept. of Chemical and Materials Engineering, National Chin-Yi University of Technology	Nil	-	-	-
Senior Manager of Real Estate Agent Division	Taiwan, R.O.C.	Lin San-Chih	male	10/01/2003	170,033	0.02%	82,343	0.01%	-	-	Bachelor of Dept. of Business Administration, National Chin-Yi University of Technology	Nil	-	-	-
Senior Manager of Real Estate Agent Division	Taiwan, R.O.C.	Chen Shih-Yao	male	04/01/2012	-	-	7,139	-	-	-	Bachelor of Dept. of Statistics, Ming Chuan University	Nil	-	-	-
Senior Manager of Real Estate Agent Division	Taiwan, R.O.C.	Chen Shih-Ciang	male	02/01/2016	20,267	-	-	-	-	-	Bachelor of Dept. of Architecture, National Cheng Kung University	Nil	-	-	-
Senior Manager of Real Estate Agent Division	Taiwan, R.O.C.	Wang Hui-Ping	male	01/01/2008	105,460	0.01%	-	-	-	-	Bachelor of Dept. of Business Administration, China College of Industry	Nil	-	-	-
Senior Manager of Real Estate Agent Division	Taiwan, R.O.C.	Chang Teng-Lai	male	04/01/2008	107,690	0.01%	-	-	-	-	5-year junior college of Industrial Engineering and Management, Minghsin Junior College of Institute Technology (present name: Minghsin University of Science and Technology)	Nil	-	-	-
Senior Manager of Real Estate Agent Division	Taiwan, R.O.C.	Wang Chih-Nan	male	01/01/2009	97,660	0.01%	-	-	-	-	5-year junior college of Computer Science and Information Engineering, Minghsin Junior College of Institute Technology (present name: Minghsin University of Science and Technology)	Nil	-	-	-
Senior Manager of Real Estate Agent Division	Taiwan, R.O.C.	Chou Chun-Jung	male	10/01/2006	129,860	0.02%	27,312	-	-	-	Bachelor of Dept. of Industrial Engineering, Tunghai University	Nil	-	-	-
Senior Manager of Real Estate Agent Division	Taiwan, R.O.C.	Lin Wu-Hsiung	male	10/01/2005	58,988	0.02%	35,927	-	-	-	Bachelor of Dept. of Microbiology, Soochow University	Nil	-	-	-
Senior Manager of Real Estate Agent Division	Taiwan, R.O.C.	Su Shang-Yao	male	09/01/2010	1,016	-	-	-	-	-	Bachelor of Dept. of Business Administration, Fu Jen Catholic University	Nil	-	-	-
Senior Manager of Real Estate Agent Division	Taiwan, R.O.C.	Huang Mao-Shu	male	04/01/2011	64,478	0.01%	-	-	-	-	Bachelor of Dept. of Business Creative Development, Shih Chien University	Nil	-	-	-
Senior Manager of Real Estate Agent Division	Taiwan, R.O.C.	Hung	male	07/01/2011	-	-	-	-	-	-	Bachelor of Dept. of Architecture, National Cheng Kung University	Nil	-	-	-

Title	Nationality	Name	Gender	Date of on Board (mm/yy/dd)	Shareholding		Shareholding of the Spouse and Underage Children		Shareholding Held in the Name of a Third Party		Main Experience/Educational Background (Note 1)	Concurrent Positions in Other Companies at Present	Other Managers that Have Spousal Relationship or are within the Second Degree of Kinship with the Concerned Person			
					Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio			Title	Name	Relation	
Estate Agent Division		Cheng-Lung														
Senior Manager of Real Estate Agent Division	Taiwan, R.O.C.	Liao Ching-Chou	male	07/01/2011	14,956	-	1,887	-	-	-	Bachelor of Dept. of Bank Insurance, Ling Tung College of Technology	Nil	-	-	-	
Senior Manager of Real Estate Agent Division	Taiwan, R.O.C.	Chen Chin-Tang	male	07/01/2011	21,595	-	-	-	-	-	Bachelor of Dept. of Cooperative Economics, Feng Chia University	Nil	-	-	-	
Senior Manager of Real Estate Agent Division	Taiwan, R.O.C.	Chang Chia-Jung	male	01/01/2012	42,711	0.01%	8,262	-	-	-	Bachelor of Dept. of Civil Engineering, National Chiayi University	Nil	-	-	-	
Senior Manager of Real Estate Agent Division	Taiwan, R.O.C.	Chang Wei-Hsiang	male	01/01/2012	61,988	0.01%	-	-	-	-	Master of graduate institute of technology management , National Taiwan University of Science and Technology	Nil	-	-	-	
Senior Manager of Real Estate Agent Division	Taiwan, R.O.C.	Wang Mao-Sang	male	01/01/2012	3,352	-	2,328	-	-	-	Bachelor of Dept. of Law, Shih Hsin University	Nil	-	-	-	
Senior Manager of Real Estate Agent Division	Taiwan, R.O.C.	Hung Chien-Huan	male	10/01/2012	-	-	8,386	-	-	-	General manager of Beijing Sinyi Real Estate Ltd. 5-year junior college of Newspaper Administration, Shih Hsin College of Journalism	(Note2)	-	-	-	
Senior Manager of Real Estate Agent Division	Taiwan, R.O.C.	Lin Te-Cheng	male	03/01/2013	-	-	-	-	-	-	5-year junior college of Electrical Engineering, HsinPu College of Industry	Nil	-	-	-	
Senior Manager of Real Estate Agent Division	Taiwan, R.O.C.	Yu Ho-An	male	04/01/2014	93,723	0.01%	65,985	0.01%	-	-	5-year junior college of Textile, Nan Ya College of Industry	Nil	-	-	-	
Senior Manager of Real Estate Agent Division	Taiwan, R.O.C.	Liu Tung-Yuan	male	08/01/2014	1,147	-	558	-	-	-	Bachelor of Dept. of Environmental Engineering and Science, Feng Chia University	Nil	-	-	-	
Senior Manager of Real Estate Agent Division	Taiwan, R.O.C.	Wang Chih-Wei	male	02/01/2016	655	-	-	-	-	-	Bachelor of Dept. of Electrical Engineering, Ming Chi University of Technology	Nil	-	-	-	
Senior Manager of Real Estate Agent Division	Taiwan, R.O.C.	Ye Zong-Fu	male	02/01/2016	62,005	0.01%	-	-	-	-	Bachelor of Dept. of Leisure and Tourism Management, Shu-Te University	Nil	-	-	-	
Senior Manager of Real Estate Agent Division	Taiwan, R.O.C.	Chang Jun-Da	male	01/01/2017	-	-	-	-	-	-	Bachelor of Department of Business Administration, Ming Chuan University.	Nil	-	-	-	
Senior Manager of Real Estate Agent Division	Taiwan, R.O.C.	Chen Yu-Li	male	03/06/2017	11,000	-	3,100	-	-	-	Bachelor of Department of Environmental Engineering and Science, Fooyin University	Nil	-	-	-	
Senior Manager of Real Estate Agent Division	Taiwan, R.O.C.	Ho In-Yu	male	06/16/2017	400,000	0.05%	58,400	0.01%	-	-	First-hand New House Selling Department Senior Manager National CHung Hsing University Department of Land Economic	(Note2)	-	-	-	
Senior Manager of Real Estate Agent Division	Taiwan, R.O.C.	Chen Yu-Hsiao	female	10/01/2017	-	-	-	-	-	-	National Taipei University Department of Ecomic	Nil	-	-	-	
Senior Manager of Real Estate Agent Division	Taiwan, R.O.C.	Lee Ming-Shan	male	10/01/2017	1,000	-	-	-	-	-	TamKang University Department of Spanish	Nil	-	-	-	
Senior Manager of Real Estate Agent Division	Taiwan, R.O.C.	Chou Ken-Yu (Note 3)	male	04/01/2018	20,307,354	2.76%	-	-	-	-	Master of Entertainment Technology Center, Carnegie Mellon University	(Note2)	Director	Chou Chun-Chi	Father and son	
													Vice Chairperson	Chou Wang Mei-Wen	Mother and son	
Senior Manager of Real Estate Agent Division	Taiwan, R.O.C.	Chen Chien-Yu	male	04/01/2018	-	-	-	-	-	-	Bachelor of Industrial Engineering and Management, Da Yeh University	Nil	-	-	-	
Senior Manager of Real Estate Agent Division	Taiwan, R.O.C.	Wu Kuo-Chun	male	08/01/2018	34,000	-	-	-	-	-	Bachelor of Department of Fashion Design, Shih Chien University	Nil	-	-	-	
Senior Manager of Real Estate Agent Division	Taiwan, R.O.C.	Lin Kwn-Hung	male	01/01/2019	-	-	7,000	-	-	-	Bachelor of Department of Accounting, Ming Chuan University	Nil	-	-	-	
Senior Manager of Real Estate Agent Division	Taiwan, R.O.C.	Fang Hao-Chuan	male	01/01/2019	-	-	-	-	-	-	Master of Marleting and Logistics, Southern Taiwan University of Science and Technology	Nil	-	-	-	
Senior Manager of Real Estate Agent Division	Taiwan, R.O.C.	Kuo Li-Wei (Note 3)	male	06/01/2019	389	-	-	-	-	-	Bachelor of Department of Agronomy, National Chung Hsing University	Nil	-	-	-	
Senior Manager of Real Estate Agent Division	Taiwan, R.O.C.	Wei Shi-Fang (Note 3)	male	07/01/2019	-	-	-	-	-	-	Master of Senior Managerial Class, National Chung Hsing University	Nil	-	-	-	
Senior Manager of Real Estate Agent Division	Taiwan, R.O.C.	Wang Sheng-Xian	male	04/01/2018	-	-	-	-	-	-	Master of Institute of Creative Industries Design, National Cheng Kung University	Nil	-	-	-	

Title	Nationality	Name	Gender	Date of on Board (mm/yy/dd)	Shareholding		Shareholding of the Spouse and Underage Children		Shareholding Held in the Name of a Third Party		Main Experience/Educational Background (Note 1)	Concurrent Positions in Other Companies at Present	Other Managers that Have Spousal Relationship or are within the Second Degree of Kinship with the Concerned Person		
					Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio			Title	Name	Relation
		(Note 3)													
Senior Manager of Real Estate Agent Division	Taiwan, R.O.C.	Huang Chiao-Yun (Note 3)	female	01/01/2020	27,485	-	-	-	-	-	Master of Dept. of Civil Engineering, National Central University	Nil	-	-	-
Senior Manager of Real Estate Agent Division	Taiwan, R.O.C.	Hsu Shun-Chi (Note 3)	male	01/01/2020	-	-	-	-	-	-	Bachelor of Department of Business Administration, National Chung Cheng University	Nil	-	-	-

Note 1: The aforementioned personnel and the relevant experiences linked up with current positions, during the aforementioned period, they have never served with the Certified Public Accountant Office in charge of the Company's audit or affiliated enterprises thereof.

Note 2: Please refer to the relevant information and data of the affiliated enterprises (page9-9~9-21) regarding serving as the Company's directors or supervisors

Note 3: Management Information System (MIS) Department had been divided into IT Services and Information Security Management Department and IT System Development Department. The senior manager of MIS department, Mr. Chiang Yuan-Chi was transferred to be senior manager of Data Application and Development Department and Mr. Hsu Chien-Hao and Mr. Tso Hsin-Chiang were promoted as the senior managers of IT Services and Information Security Management Department and IT System Development Department, respectively. Mr. Chou Ken-Yu, the senior manager of Data Application and Development Department, and Mr. Wang Sheng-Xian, the senior manager of Living Development Department were transferred to be the senior managers of Real Estate Agent Division. Ms. Hsu Ling-Ling, one of the senior managers of Real Estate Agent Division succeeded Mr. Wang Sheng-Xian as the senior manager of Living Development Department; Mr. Kuo Li-Wei, Mr. Wei Shi-Fang, Ms. Huang Chiao-Yun and Mr. Fang Shun-Chi, the managers of Real Estate Agent Division, were all promoted to senior managers of Real Estate Agent Division. Mr. Su Jyun-Bin serves as the general manager of Innovation & Integration Business Group and Mr. Liu Ta-Cheng serves as the senior manager of Marketing & Brand Communication Department

Note 4: Mr. Yang Pai-Chuan, Ethics Officer, concurrently serves as Chief Human Resource Officer.

Note 5: Mr. Tsai Chi-Yen, the vice general managers of Innovation & Integration Business Group discharged from the positions of managers for resigned in 2019. Mr. Chang Wen-Tsung, Mr. Hsieh Tsung-Hsien and Mr. Liu Yi-Chi and Ms. Chuang Chien-Jung discharged from the positions of managers for their reassignment.

Note 6 : The General Manager or the equivalent position title (the highest managers) is not the same person as, spouse or blood relatives within the first degree of kinship to the chairperson.

Remuneration Paid to Directors, General Manager and Managers in 2019

i. Remuneration for Directors

Expressed in Thousands of New Taiwan Dollars

Title	Name	Remuneration for Directors								Remuneration Received by Concurrent Employees											Ratio (%) of the Aggregate Amount of A, B, C, D, E, F and G to the Net Income After Tax (Note 5)		Whether Receiving Remuneration from any Companies Invested by the Company Other Than the Subsidiaries of the Company or Not		
		Compensation (A)		Pension (B)	Remuneration (C) (Note 1)		Fees for Performance of Business (D) (Note 2)		Ratio(%) of the Aggregate Amount of A, B, C and D to the Net Income After Tax		Wages, Bonus and Special Disbursement, etc. (E) (Note 2 and 3)		Pension (F)	Employee Remuneration (G) (Note 4)			Number of Shares Granted under the Share Subscription Warrants for Employees (H)		Number of the Restricted Shares for Employees (I)						
		All Companies Specified in the Financial Statements		The Company	All Companies Specified in the Financial Statements		The Company	All Companies Specified in the Financial Statements		The Company	All Companies Specified in the Financial Statements		The Company	All Companies Specified in the Financial Statements			The Company	All Companies Specified in the Financial Statements		The Company	All Companies Specified in the Financial Statements				
Chairperson	Sinyi Co., Ltd.	-	-	-	-	700	700	-	-	0.06%	0.06%	-	-	-	-	-	-	-	-	-	-	-	0.06%	0.06%	-
	Legal representative of Sinyi Co., Ltd.: Hsueh Chien-Ping	-	-	-	-	-	-	-	-	-	-	9,032	11,022	-	-	14	-	14	-	-	-	-	-	0.72%	0.87%
Vice Chairperson	Sinyi Co., Ltd.	-	-	-	-	700	700	-	-	0.06%	0.06%	-	-	-	-	-	-	-	-	-	-	-	0.06%	0.06%	-
	Legal representative of Sinyi Co., Ltd.: Chou Wang Mei-Wen	-	-	-	-	-	-	274	274	0.02%	0.02%	-	-	-	-	-	-	-	-	-	-	-	0.02%	0.02%	-
Director	Chou Chun-Chi	-	-	-	-	-	-	729	729	0.06%	0.06%	-	-	-	-	-	-	-	-	-	-	-	0.06%	0.06%	-
Independent Director	Hong San-Xiong	1,200	1,200	-	-	700	700	50	50	0.15%	0.15%	-	-	-	-	-	-	-	-	-	-	-	0.15%	0.15%	-
Independent Director	Jhan Hong-Chih	1,200	1,200	-	-	700	700	60	60	0.16%	0.16%	-	-	-	-	-	-	-	-	-	-	-	0.16%	0.16%	-
Independent Director	Yen Lou-Yu	1,200	1,200	-	-	700	700	50	50	0.15%	0.15%	-	-	-	-	-	-	-	-	-	-	-	0.15%	0.15%	-
Independent Director	Yen Lou-Yu	726	726	-	-	423	423	30	30	0.09%	0.09%	-	-	-	-	-	-	-	-	-	-	-	0.09%	0.09%	-
Total		4,326	4,326	-	-	3,923	3,923	1,193	1,193	0.75%	0.75%	9,032	11,022	-	-	14	-	14	-	-	-	-	1.47%	1.62%	-

Note 1: As officially resolved by the Board of Directors Meeting on February 27, 2020, the remuneration to directors for 2019 was NT\$3,923 million dollars. The resolution will be reported in the general shareholders' meeting on May 22, 2020.

Note 2: The aforementioned expenses include rental or depreciation expense, fuel expense and maintained expense of the cars used by the Company's Non-Independent Directors.

Note 3: The aforementioned expenses include rental, fuel expense and maintenance expense of the cars used by the Company's Director concurrent employee and house rental provided to him.

Note 4: Employee Remuneration allocated to the director who is a concurrent employee is one part of the amount NT\$16,258 thousand dollars of employee remuneration resolved by the Board of Directors Meeting on February 27, 2020. The resolution shall be reported in the general shareholders' meeting on May 22, 2020.

Note 5: The term "net profit after tax" as set forth herein denotes the net profit after tax as shown through the individual financial statements 2019.

Note 6: The aforementioned expenses include the relevant remuneration NT\$2,449 thousand dollars paid to the chauffeurs to the Company's Non-Independent Directors.

Note 7: Other than those disclosures above, remuneration granted to a director(s) of the Company for rendering services within the contents of the financial statements (e.g., serving as a consultant other than an employee): Nil.

Note 8: Independent directors' remuneration policy, system, standards and structure, and descriptions of the inter-relevance to the amount of remuneration according to the responsibilities, risks, time invested and other factors:

Here at the Company, the independent directors' remuneration is mainly divided into directors' remuneration, directors' pay and expenses for business execution. To an independent director, the directors' remuneration has been duly determined with reference to the level of the independent directors' participation in the Company's business operation, the value of their contribution and the normal standards/criteria prevalent in other listed companies, in an amount of NT\$100,000 per month for an independent director, as an amount duly determined by the board of directors with the powers duly bestowed thereupon. Where the normal standards/criteria prevalent in other listed companies have little to do with the Company's profitability, the very level of remuneration granted to the Company's independent directors is believed at a rational level. As expressly provided for in the Company's Articles of Incorporation, upon end of a fiscal year, the remuneration shall be granted to directors pro rata to the specified ratio of the Company's profitability in that year. The remuneration to the independent directors has been further judged with reference to the overall salary and pay levels prevalent in other listed companies (including the remuneration to directors and pay to directors) as well as the level of their participation in the board of directors and functional committees. Here at the Company, all four independent directors have been the Committee members of the Audit Committee, Remuneration Committee and Nomination Committee, including three as the chairpersons chairing the Audit Committee, Remuneration Committee and Nomination Committee. Except Independent Director Li Yi-Li who was newly elected into the position in May 2019, all independent directors have devoted a significant amount of effort toward the Company. Accordingly in 2019, Independent Director Li Yi-Li was paid with relatively lower remuneration. The salary on business implementation was granted at NT\$5,000 traffic allowance for each attendance in the board of directors meeting, paid based on the substantial fact.

Remuneration Listed by Range of Directors

Range of the Remuneration Paid to the Company's Directors	2019			
	Aggregate Amount of A, B, C and D		Aggregate Amount of A, B, C, D, E, F and G	
	The Company	All Companies Specified in the Financial Statements (I)	The Company	All Companies Specified in the Financial Statements (J)
Below \$1,000,000	Legal representative of Sinyi Co., Ltd.: Hsueh Chien-Ping, legal representative of Sinyi Co., Ltd.: Chou Wang Mei-Wen, Chou Chun-Chi		Legal representative of Sinyi Co., Ltd.: Chou Wang Mei-Wen, Chou Chun-Chi	
\$1,000,000 (inclusive)~\$2,000,000 (exclusive)	Sinyi Co., Ltd., Hong San-Xiong, Jhan Hong-Chih, Yen Lou-Yu, Li Yi-Li		Sinyi Co., Ltd., Hong San-Xiong, Jhan Hong-Chih, Yen Lou-Yu, Li Yi-Li	
\$2,000,000 (inclusive)~\$3,500,000 (exclusive)	-			-
\$3,500,000 (inclusive)~\$5,000,000 (exclusive)	-			-
\$5,000,000 (inclusive)~\$10,000,000 (exclusive)	-		Legal representative of Sinyi Co., Ltd. : Hsueh Chien-Ping	-
\$10,000,000 (inclusive)~ \$15,000,000 (exclusive)	-			Legal representative of Sinyi Co., Ltd. : Hsueh Chien-Ping
15,000,000 (inclusive)~ \$30,000,000 (exclusive)	-			-
\$30,000,000 (inclusive)~ \$50,000,000 (exclusive)	-			-
\$50,000,000 (inclusive)~ \$100,000,000 (exclusive)	-			-
Above \$100,000,000	-			-
Total (Note)	8		8	8

Note: The Company has 7 directors, in aggregate total of 8 directors, with respective disclosure remuneration of the Company's juristic person director, Sinyi Co., Ltd., and its legal representative.

Remuneration for General Manager and Vice General Managers

Expressed in Thousands of New Taiwan Dollars

Title	Name	Wages (A)		Pension (B)		Bonus and Special Disbursement, etc. (C) (Note 1)		Employee Remuneration (D) (Note 2)				Ratio(%) of the Aggregate Amount of A, B, C and D to the Net Income After Tax(Note 3)		Amount of the Share Subscription Warrants for Employees Received		Number of the Restricted Shares for Employees		Whether Receiving Remuneration from any Companies Invested by the Company Other Than the Subsidiaries of the Company or Not	
		The Company	All Companies Specified in the Financial Statements	The Company	All Companies Specified in the Financial Statements	The Company	All Companies Specified in the Financial Statements	The Company		All Companies Specified in the Financial Statements		The Company	All Companies Specified in the Financial Statements	The Company	All Companies Specified in the Financial Statements	The Company	All Companies Specified in the Financial Statements		
								Cash Bonus	Share Bonus	Cash Bonus	Share Bonus								
General Manager	Liu Yuan-Chih																		
CEO of Group Platform	Hsueh Chien-Ping																		
General Manager of Innovation & Integration Business Group	Su Jyun-Bin																		
Ethics Director	Yang Pai-Chuan																		
Chief Human Resource Officer	Yang Pai-Chuan																		
Strategy Head	Chou Chuang Yun																		
Vice General Manager of Digital Intelligence Center	Chen Li-Hsing																		
Auditor-General	Chou Su-Hsiang																		
Chief financial officer	Wang Jun-Yen (Note 5)	39,766	40,583	-	-	52,456	53,628	182	-	182	-	7.32%	7.47%	-	-	-	-	-	200
Vice General Manager of Public Affairs Department	Lin Jun-An (Note 5)																		
Vice General Manager of Innovation & Integration Business Group	Su Shou-Jen																		
Vice General Manager of Real Estate Agent Division	Hsin Hong-Jun																		
Vice General Manager of Real Estate Agent Division	Feng Chi-Yi																		
Vice General Manager of Selling Agency Division	Lee Shao-Kang																		

Note 1: The aforementioned expenses include rental, fuel expense and maintenance expense of the cars used by CEO of Group Platform Business and General Manager. House rental for CEO of Group Platform Business is included as well.

Note 2: Employee Remuneration allocated to the Company's General Manager and vice General Managers is one part of the amount NT\$16,258 thousand dollars of employee remuneration resolved by the Board of Directors Meeting on February 27, 2020. The resolution shall be reported in the general shareholders' meeting on May 22, 2020.

Note 3: The term "net profit after tax" as set forth herein denotes the net profit after tax as shown through the individual financial statements for 2019.

Note 4: The remuneration to the General Manager's chauffeurs of the Company was already disclosed in the note of remuneration to directors.

Remuneration Listed by Range of General Manager and Vice General Managers

Range of the Remuneration Paid to the Company's General Manager and Vice General Managers	Year 2019	
	The Company	All Companies Specified in the Financial Statements
Below \$1,000,000	Tsai Chi-Yen (Note2)	-
\$1,000,000 (inclusive)~\$2,000,000 (exclusive)	-	-
\$2,000,000 (inclusive)~\$3,500,000 (exclusive)	Lin Jun-An	Lin Jun-An, Tsai Chi-Yen (Note2)
\$3,500,000 (inclusive)~\$5,000,000 (exclusive)	Chou Su-Hsiang, Su Shou-Jen,	Chou Su-Hsiang, Su Shou-Jen,
\$5,000,000 (inclusive) ~ \$10,000,000 (exclusive)	Hsueh Chien-Ping(Note 1), Su Jyun-Bin, Hsin Hong-Jun, Feng Chi-Yi, Chou Chuang Yun, Yang Pai-Chuan, Chen Li-Hsing, Wang Jun-Yen	Su Jyun-Bin, Hsin Hong-Jun, Feng Chi-Yi, Chou Chuang Yun, Yang Pai-Chuan, Chen Li-Hsing, Wang Jun-Yen
\$10,000,000 (inclusive) ~ \$15,000,000 (exclusive)	Liu Yuan-Chih(Note 1), Lee Shao-Kang	Liu Yuan-Chih(Note 1), Hsueh Chien-Ping(Note 1), Lee Shao-Kang
\$15,000,000 (inclusive) ~ \$30,000,000 (exclusive)		-
\$30,000,000 (inclusive) ~ \$50,000,000 (exclusive)		-
\$50,000,000 (inclusive) ~ \$100,000,000 (exclusive)		-
Above \$100,000,000		-
Total	14	14

Note 1: Remuneration of CEO of Group Platform Business and the Company's General Manager include the rental, fuel expense and maintenance expense of the cars provided by the Company and house rental provided by the Company's subsidiary for CEO of Group Platform Business.

Note 2: Mr. Tsai Chi-Yen, the vice general manager of Innovation & Integration Business Group, is assigned as the general manager of our subsidiary, Yowoo Technology Inc., and therefore his salary was paid by Yowoo since May 2018. He tendered his resignation in 2019.

ii. Names of the managers allocated with Remunerations to employees and the facts in allocation

March 31, 2020

Title	Name	Total Share Remuneration (Thousand \$)	Total Cash Remuneration (Thousand \$)	Total (Thousand \$) (Note 1)	Ratio of the Aggregate Amount to the Net Income After Tax (%) (Note 2)
General Manager	Liu Yuan-Chih				
CEO of Group Platform Business	Hsueh Chien-Ping				
General Manager of Innovation& Integration Business Group	Su Jyun-Bin				
Ethics Director and Human Resource Officer	Yang Pai-Chuan				
Chief Strategy Officer	Chou Chuang Yun				
Vice General Manager of Digital Intelligence Center	Chen Li-Hsing				
Auditor-General	Chou Su-Hsiang				
Chief Financial Officer	Wang Jun-Yen				
Vice General Manager of Public Affairs Department	Lin Jun-An				
Vice General Manager of Innovation& Integration Business Group	Su Shou-Jen				
Vice General Manager of Real Estate Agent Division	Xin Hong-Jun				
Vice General Manager of Real Estate Agent Division	Feng Chi-Yi				
Vice General Manager of First-hand New House Selling Department	Lee Shao-Kang				
Senior Manager of Human Resource Department	Chang Shu				
Senior Manager of Customer Service Department	Liu Wei-Te				
Senior Manager of Finance Department	Chen Chih-Huan				
Senior Manager of Accounting Department	Lin Chiu-Chin				
Senior Manager of Business Service Department	Chang Ching-Chih				
Senior Manager of Real Estate Planning & Research Office	Su Chi-Rong				
Senior Manager of Living Development Department	Hsu Ling-Ling				
Manager of Digital Process Development Department	Chang Ya-Hsi				
Senior Manager of Innovation& Integration Business Group	Liu Yu-Rong				
Senior Manager of Digital Application and Development Department	Chiang Yuan-Chi				
Senior Manager of IT Services and Information Security Management Department	Hsu Chien-Hao				
Senior Manager of IT System Development Department	Tso Hsin-Chiang				
Senior Manager of Real Estate Agent Division	Chen Hsu-Chieh				
Senior Manager of Real Estate Agent Division	Lin San-Chih				
Senior Manager of Real Estate Agent Division	Chen Shih-Yao				
Senior Manager of Real Estate Agent Division	Chen Shih-Ciang				
Senior Manager of Real Estate Agent Division	Wang Hui-Ping		849	849	0.07%
Senior Manager of Real Estate Agent Division	Chang Teng-Lai				
Senior Manager of Real Estate Agent Division	Wang Chih-Nan				
Senior Manager of Real Estate Agent Division	Chou Chun-Jung				
Senior Manager of Real Estate Agent Division	Lin Wu-Hsiung				
Senior Manager of Real Estate Agent Division	Huang Mao-Shu				
Senior Manager of Real Estate Agent Division	Hung Cheng-Lung				
Senior Manager of Real Estate Agent Division	Liao Ching-Chou				
Senior Manager of Real Estate Agent Division	Chen Chin-Tang				
Senior Manager of Real Estate Agent Division	Chang Chia-Jung				
Senior Manager of Real Estate Agent Division	Chang Wei-Hsiang				
Senior Manager of Real Estate Agent Division	Wang Mao-Sang				
Senior Manager of Real Estate Agent Division	Hung Chien-Huan				
Senior Manager of Real Estate Agent Division	Lin Te-Cheng				
Senior Manager of Real Estate Agent Division	Yu Ho-An				
Senior Manager of Real Estate Agent Division	Liu Tung-Yuan				
Senior Manager of Real Estate Agent Division	Wang Chih-Wei				
Senior Manager of Real Estate Agent Division	Ye Zong-Fu				
Senior Manager of Real Estate Agent Division	Chang Jun-Da				
Senior Manager of Real Estate Agent Division	ChenYu-Li				
Senior Manager of Real Estate Agent Division	Ho In-Yu				
Senior Manager of Real Estate Agent Division	Chen Yu-Hsiao				
Senior Manager of Real Estate Agent Division	Lee Ming-Shan				
Senior Manager of Real Estate Agent Division	Chou Ken-Yu				
Senior Manager of Real Estate Agent Division	Chen Chien-Yu				
Senior Manager of Real Estate Agent Division	Wu Kuo-Chun				
Senior Manager of Real Estate Agent Division	Lin Kwn-Hung				
Senior Manager of Real Estate Agent Division	Fang Hao-Chuan				
Senior Manager of Real Estate Agent Division	Wei Shi-Fang				
Senior Manager of Real Estate Agent Division	Kuo Li-Wei				
Senior Manager of Real Estate Agent Division	Wang Sheng-Xian				

Note 1: Employee remuneration allocated to the Company's general manager, vice general managers and senior managers is one part of the amount NT\$16,258 thousand dollars of employee remuneration resolved by the Board of Directors Meeting on February 27, 2020. The resolution shall be reported in the general shareholders' meeting on May 22, 2020.

Note 2: The term "net profit after tax" as set forth herein denotes the net profit after tax as shown through the individual financial statements 2019.

Note 3: The managers shown on the aforementioned Table are estimated under the basis of their present serving on March 31, 2020 and eligible for the employee remuneration. The actual list to receive employee remuneration shall depend on if they are eligible on the payment date.

- (VI) Respectively compare and depict the analyses of the aggregate total remuneration paid to the Company's directors, general manager and vice general managers to the net profit after tax shown through the individual financial statements over the past two years in the Company and all companies covered in the consolidated financial reports, and please explain the policies, criteria, portfolio of remuneration payment, procedures to fix remuneration, business performance and interrelationship to the future risks.

Expressed in Thousands of New Taiwan Dollars

	The Company		All Companies Specified in the Financial	
	2019	2018	2019	2018
The aggregate total of remuneration paid to the directors, general manager and vice general managers	101,846	87,947	103,835	89,919
The ratio of aggregate total to the net profit after tax shown through the	8.06%	5.85%	8.22%	5.98%

The Company's remuneration paid to directors, general managers and vice general managers in Year 2019 was compared with that in Year 2018, due primarily to the facts that in the Company, the profits gained in the brokerage services and agency sales grew and, in turn, boosted the increase in the year-end bonus and performance earnings bonus. Meanwhile, those authorized chief officers in staff units got their fixed monthly salaries in Year 2019 increasing amidst the annual raise. Nevertheless, in Year 2019, the profits recognized from subsidiaries through their business development decreased from those in 2018 (in lower interrelationship with the remuneration of the Company's managers), resulting in the less gain recognized from investment accounted for under the equity method in the individual financial statements. Accordingly, the proportion in the aggregate total amount, the ratio of net profit after tax in the individual financial statements significantly increased compared with Year 2018.

Below is a summary of our compensation policies of directors and managers, criteria, arrangements and decision-making process over compensations in relation to operating performances and risk factors:

1. Compensations to directors:

- (1) The compensations to directors are comprised of salaries, director remunerations and allowances.
 - i. Salaries: According to our Articles of Incorporation, the monthly salaries paid to independent directors are based on the individual director's involvement in company operations, contribution to our performance and the industry standards among listed companies. The amount is determined by the Board of Directors. The Board in 2019 decided that salaries paid to independent directors were in line with the industry standards and shall not be linked to the Company's profits. Non-independent directors do not receive director's monthly salaries.
 - ii. Director remunerations: After the end of the fiscal year, in accordance with our Articles of Incorporation, director remunerations are distributed according to a certain percentage of the current year's profit. The remunerations paid to directors for 2019 were proposed by Remuneration Committee and approved

by the Board on February 27, 2020. Director remunerations for 2019 were determined to be 0.241% of the Company's income before tax, or NT\$3,923 thousand dollars. It is mainly as a result that the Company's profit and operating performance in the interrelationship. Besides, for the remuneration of independent-directors, it also refers to the general remuneration level (including directors' salaries and directors' remunerations) of independent directors of other listed companies and the participation level in Board of Directors and its functional committees. In terms of the remuneration to non-independent directors, we should take into account the level of remuneration to independent directors and their level of participation in the board of directors. However, the Company's founder, Director Chou Chun-Chi has not received remunerations for a director.

- iii. Allowances include the transportation allowance for independent directors to attend board meetings, rental or depreciation, petroleum costs and maintenance expenses for the cars allocated to the non-independent directors. The transportation allowance for independent directors is reimbursed according to board meeting attendances and in line with industry practice. Non-independent directors do not receive transportation allowance. Three non-independent directors have company cars (including for the reason of being a concurrent manager). The Company afforded the car rental (or depreciation), and the expenses in associated with petroleum and maintenance for the non-independent directors except for their directors' monthly salaries.

(2) Compensations to directors on a consolidated basis:

Compensations to directors consist of salaries, director remunerations and allowances. In addition to those from the Company, the compensation to directors was director allowances mainly from the Company's subsidiaries, An-Sin Real Estate Management Ltd. and AnShin Real Estate Management Ltd. The allowances depended on the numbers of attendance. Shanghai Sinyi Real Estate Inc. provided the company car and house for Mr. Hsueh Chien-Ping for his concurrently serving as the CEO of Group Platform Business.

Upon each and every reelection of directors, the compensations to directors is duly adjusted and planned again with reassessment based on the normal standards/criteria prevalent in other listed companies, the Company's business performance and rationality in the connection.

2. Compensations to general managers and vice general managers (including the CEO of Group Platform Business):

- (1) The compensation to general managers and vice general managers consisting of salaries, pensions and bonuses (including special reimbursements).

- i. Salaries: Monthly salaries are paid to general manager and vice general managers with reference to salary levels prevalent in the external markets, with monthly salaries duly granted. There is no direct linkage between monthly salaries and annual earnings of the Company. In principle, nevertheless, raise would be granted or based on the substantial performance of the Company and those individuals. In 2019, those senior executives were granted about 3% raise in monthly salaries.

- ii. Pensions: None of our general managers or vice general managers retired in 2019 and receive the pensions.
 - iii. Bonuses: Various bonuses for the authorized chief officers in business functions are calculated pursuant to our Regulations Governing Salaries, Compensations and Bonuses of the authorized chief officers, proposed by the Remuneration Committee and approved by the Board. Performance bonuses are linked with the Company's earnings and key performance indicators. The Company has long implemented 1/3 of the Company's annual after-tax operating profit as the year-end bonus for the year to that the entire staff of the Company would share the very fruits achieved by the Company. The Company has additionally set up long-term value contribution bonus regulations toward the general manager and vice general managers so as to motivate authorized chief officers to better focus on the long-term development goals and vision of the Company. The Remuneration Committee shall propose a long-term value contribution bonus proposal to the board of directors for approval. In Year 2019, the variable incentive bonuses were higher than those in 2018, due primarily to that the Company's operating profit (excluding subsidiaries) in 2019 increased by 30% compared to Year 2018. As a result, the related year-end bonuses and earnings performance bonuses and performance achievement bonuses such as target achievement bonus increased compared to Year 2018.
 - iv. Other related remuneration included the company car rental provided for CEO of Group Platform Business and general manager, accompanying with the fuel expense and maintenance expense of these cars.
 - v. Employee remuneration: According to the Company's Articles of Incorporation, among the annual profit allocation, a sum 1% minimum shall be allocated as remuneration to employees and duly allocated based on the Regulations Governing Allocation of Employee Remuneration. In 2019, the employee remuneration amounting to NT\$16,258 thousand in total, reduction by 21% compared with 2018, due primarily to the reason in 2019, the Company's earnings before tax decreased because of a drop of profitability of subsidiaries.
- (2) Compensation to general managers and vice general managers based on other consolidated financial statements beyond the Company”
The CEO of Group Platform Business assumes the responsibility for the cross-strait platform business and receives part of the salary of the Company's subsidiary, Shanghai Sinyi Real Estate Inc., It, as well, provides a residence with business cars (including car rent, fuel and maintenance costs). Except these facts, other companies covered within the consolidated statements did not pay compensations to their general managers and vice general managers.
- (3) Here at the Company, the remuneration incentive system for the authorized chief officers (including annual raise and performance incentives) is proposed by the Remuneration Committee to the board of directors on an annual basis to be resolved by the board of directors. The Remuneration Committee and the Board of Directors also evaluate the rationality with reference to the authorized chief officers in various functions and the standards/criteria prevalent in the human resources markets.

3. Remuneration to other managers:

- (1) Other managers of the Company refer to such managers who are not the vice general managers (inclusive) or higher rank, and their compensations include salary, retirement pension, bonuses and employee remuneration:
 - i. Salaries: The monthly salaries were approved by the Company according to the ranks and performance of such other managers with reference to the external market salary level which is taken into account to determine the amount of monthly salary which is not directly related to the current year's earnings level, but in principle it will still be based on the performance of the Company and the individuals which are taken into account to decide the facts of a raise or not. In Year 2019, except for the other managers in the staff unit who were granted a raise at about 3.5% of monthly salary, other managers in business units did not get a raise on their monthly salary.
 - ii. Pensions: In entire Year 2019, there was not a single manager who would receive pension because of his or her retirement.
 - iii. Bonuses: This refers to the year-end bonus that is closely related to the Company's earnings and the business area earnings managed by other managers of the business unit as the very ground for calculation. The Company has for a long time implemented 1/3 of the Company's annual after-tax operating profit as the year-end bonus for the year, and shared the Company's operating results with entire staff.
 - iv. The employee remuneration paid for other managers of the Company is counted based on the provisions of the Company's Articles of Incorporation, and the annual allocation of profits is not less than 1% minimum of the profit earned by the Company as employee remuneration which would be distributed according to the Company's employee remuneration distribution rules.
- (2) The compensations paid to other managers by all other companies beyond the Company, as covered within the consolidated financial statements: Nil.

III. Implementation of Corporate Governance:

(I) Performance of board of directors

During period of January 1, 2020 to March 31, 2020, the board of directors of the Company convened a total of three (3) meetings and all the directors participate the board meeting personally except Independent Director Hong San-Xiong and Independent Director Li Yi-Li who commissioned other independent directors as their proxies to attend the meeting convened on January 20.

In Year 2019, the board of directors of the Company convened a total of twelve (12) meetings; at least two independent directors or more would participate in every meeting, presenting a 94% of attendance rate where the directors showed attendance in the following status:

Title	Name	Times of Attendance in Person	Times of Attendance by Proxy	Actual Attendance Rate (%)	Remarks
Chairperson	Legal representative of Sinyi Co., Ltd.: Hsueh Chien-Ping	12	-	100%	Elected as the chairperson after the re-election of Board of Directors on 5/24/2019.
Vice Chairperson	Legal representative of Sinyi Co., Ltd.: Chou Wang Mei-Wen	12	-	100%	Elected as the vice chairperson after the re-election of Board of Directors on 5/24/2019.
Director	Chou Chun-Chi	12	-	100%	Being the Chairpsn before the Board of Directors was re-elected.
Independent Director	Hong San-Xiong	11	1	92%	Entrusted the other Independent Director to attend the meeting held on 9/18/2019.
Independent Director	Jhan Hong-Chih	12	-	100%	Nil
Independent Director	Yen Lou-Yu	11	1	92%	Entrusted the other Independent Director to attend the meeting held on 4/29/2019.
Independent Director	Li Yi-Li	5	3	63%	Newly elected on 05/24/2019; the times of attendance shall be 8. Entrusted the other Independent Director to attend the meeting held on 9/18/2019, 10/28/2019 and 12/30/2019.

Other remarks required:

1. If there are the circumstances as below, the dates of meetings, sessions, contents of motions, all independents' opinion and the Company's response to independent directors' opinion should be specified:
 - (1) Matters referred to in Article 14-3 of Securities and Exchange Act: Since the Company has set up its Audit Committee; the provisions of Article 14-3 shall not apply according to Article 14-5 of the Securities and Exchange Act.
 - (2) Other resolutions of the directors' meetings objected to by Independent Directors or subject to qualified opinion and recorded or declared in writing: There is no resolutions of the directors' meetings objected to by Independent Directors or subject to qualified opinion. Please refer to the details of resolutions of the Company's board of directors and the Independent Directors' opinions and the Company's response to independent directors' opinion for 2019 and the period ended on the print date of the annual report stated on page 3-106.

2. Implementation of the avoidance from conflict of interests by the directors:

Date of the board of directors	Issue	Avoidance
01/29/2019	To adjust the Executives who are eligible for "Regulations on the Chief Officers' Compensation" for 2019.	Mr. Hsueh Chien-Ping, the Vice Chairperson, withdrew from the discussion and voting process as he concurrently served as the Company's chief officers.
	Approved 2018 performance bonus providing to the authorized chief officers.	The same as above.
02/25/2019	Approved the proposal of 2018 short-term performance bonus providing and the long-term value contribution of employees bonus to the authorized chief officers.	The same as above.
04/08/2019	Proposal of candidates of director for the 13th term board of directors of the Company.	The individual director withdrew from discussion and voting process.
	Proposal to lift candidates of director for the 13th term board of directors from the restriction of competition with the Company.	Mr. Chou Chun Chi, the Chairperson, Mr. Jhan Hong-Chih, and Ms. Chou Wang Mei-Wen withdrew from discussion and voting process when discussing the lift of restriction of competition with the Company.
04/29/2019	Approved 2019 annual adjustment of monthly salary to the authorized chief officers.	Mr. Hsueh Chien-Ping, the Vice Chairperson, withdrew from the discussion and voting process as he concurrently served as the Company's chief officers.
05/31/2019	Appointment of members of the 4th term of remuneration committee of the Company.	The individual independent director withdrew from discussion and voting process discussing his/her nomination.
	Appointment of members of the 2nd term of Nomination Committee of the Company.	The individual director withdrew from discussion and voting process discussing his/her nomination.
05/31/2019	Approved the remuneration of the independent directors of the 13th term board of directors.	The individual independent director withdrew from discussion and voting process when discussing his/her compensation.
	Approved the proposal of the employees' compensation attributable to the authorized chief officers for the year ended December 31, 2018.	Mr. Hsueh Chien-Ping, the Chairperson, withdrew from the discussion and voting process as he concurrently served as the Company's chief officers.
	Approved the proposal of the directors' compensation for the year ended December 31, 2018.	The individual director withdrew from discussion and voting process when discussing his/her compensation.
06/14/2019	Approved the authorization of the Company's board of directors.	Mr. Chou Chun-Chi withdrew from discussion and voting process due to the conflict of interest.
12/30/2019	Approval of executives who are eligible for "Regulations on the Chief Officers' Compensation" for 2019.	Mr. Hsueh Chien-Ping, the Chairperson, withdrew from the discussion and voting process as he concurrently served as the Company's chief officers.

3. For more details regarding the cycles and periods of the self-evaluation by the board of directors (or the peers), scope, method of valuation and contents of valuation and such information:

Frequency of evaluation	Duration of evaluation	Scope of evaluation	Method of evaluation	Contents of evaluation
On an annual basis	January 1, 2019 ~ December 31, 2019	Evaluation of performance by the board of directors, individual board of directors members and functional committee(s)	The self-evaluation by the board of directors, individual self-evaluation by the directors, evaluation by peers, to be conducted through outsourced external professional entity, expert or other means once in every three years	<p>(1) Evaluation of the board of directors performance: The extent of participation in the Company's business operation, the quality of policymaking process by the board of directors, the composition & structure of the board of directors, appointment and continued refresher and higher education programs for directors, internal control system.</p> <p>(2) Evaluation of individual board of directors members: Domination of the Company's targets and duties, awareness of director responsibilities and powers, extent of participation in the Company's business operation, management and communications of the internal relationship, profession and continued refresher and higher education program of directors, internal control system.</p> <p>(3) Evaluation of the functional committees: The extent of participation in the Company's business operation, upgrade of the policymaking process by the functional committees, composition and structure of the functional committees, appointment and continued refresher and higher education program of the functional committee members and the internal control system.</p> <p>(4) Evaluation of the members of the individual committees: Domination of the Company's targets and duties, awareness of the Committee members on responsibilities and powers, extent of participation in the Company's business operation, management and communications of the internal relationship, expertise of Committee members and continued refresher and higher education program, internal control system.</p>

For more details regarding evaluation over the board of directors' performance and self-evaluation by directors themselves, please refer to page 3-44 "The performance of corporate governance and the status on discrepancy and reasons in relation to the Corporate Governance Best Practice Principles for TWSE/GTSM Listed Companies and the causes thereof:

4. Evaluation of the targets and implementation in the efforts to strengthen the performance of the board of directors in the current year and the most recent year: In an attempt to assure wholesome corporate governance and intensify the relevant functions of the board of directors, other than the existent Audit Committee,

the Company further set up the Remuneration Committee in 2010 to help the board of directors implement the functions in remuneration management. The Company set up Nomination Committee in October 2017 whose main task is to conduct pre-examination and pre-selection of the candidates of nominated directors and executive officers and then to deliver the candidates to the board of directors. The Nomination Committee proposed the list of candidates of director of the Company's 13th term board of directors and was approved by the shareholders meeting and proposed senior manager Mr. Chen Chih-Huan as the Company's corporate governance officer. In addition, the Nomination Committee also made proposals to revise the Company's Corporate Governance Best Practice Principle and the advanced training program of the directors of the Company. As to the resolutions passed by the Audit Committee, the Remuneration Committee and the Nominating Committee, please refer to (II) Performance of Audit Committee, (III) Relevant information of the Remuneration Committee and Relevant information of the Nomination Committee for the further details.

(II) Performance of Audit Committee

The Company's Audit Committee, in addition to implementing the supervisory powers required by relevant laws and regulations, aims to assist the board of directors in fulfilling their fair expression of supervision of the Company's financial statements, the appointment (discharge) and independence and performance of the Certified Public Accountants, and effective implementation of the Company's internal control. The Company's purpose is to comply with relevant laws and regulations and the management of the Company's existing or potential risks. The key tasks of the Audit Committee include:

1. Enact and update the internal control system in accordance with Article 14~1 of Securities and Exchange Act
2. Evaluate the effectiveness of the internal control system.
3. Enact and update Procedures for the Acquisition or Disposal of Assets, Derivative Financial Instrument Transaction, Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies, Regulations Governing Enforcement of Endorsements/Guarantees and such behaviors in major financial affairs in accordance with Article 36~1 of Securities and Exchange Act.
4. Deal with issues involving interests of directors themselves.
5. Transaction on major assets or derivative financial instruments.
6. Significant loaning of funds and making of endorsements/guarantees.
7. Raise, issue or privately-offer equity attributed negotiable securities.
8. Appoint, discharge and pay the certifying Certified Public Accountants.
9. Appoint, discharge heads on finance, accounting and internal audit.
10. Work out annual financial statements and semiannual financial statements.
11. Carry out other key issues as specified by the Company or competent authorities.

In performance of its responsibilities and powers, in accordance with the Articles of Incorporation, the Audit Committee is entitled to proceed with appropriate review and investigation and shall have direct channels to connect and communicate with the Company's internal auditors, Certified Public Accountants and entire staff. The Audit Committee is, as well, empowered to retain and oversee the lawyers, accountants or other consultants to help the Audit Committee members to carry out responsibilities and powers.

1. During period of January 1, 2020 to March 31, 2020, the board of directors of the Company convened a total of three (3) meetings, and all the director participate the board meeting personally.
In 2019, the Audit Committee convened a total of 11 meetings, in the average participation rate of 93%. The independent directors show the following participation facts:

Title	Name	Times of Attendance in Person	Times of Attendance by Proxy	Actual Attendance Rate (%)	Remarks
Committee member (Convener)	Yen Lou-Yu	11	1	91%	04/29/2019 entrusted the other Committee member to attend the meeting.
Committee member	Hong San-Xiong	11	1	91%	09/17/2019 entrusted the other Committee member to attend the meeting.
Committee member	Jhan Hong-Chih	11	-	100%	Nil
Committee member	Li Yi-Li	6	1	86%	The directors were newly appointed upon overall reelection on 05/24/2019 and should attend meetings 7 times, through appointed proxies on 10/28/2019.

remarks as required:

I. If there are the circumstances as below, the dates of meetings, sessions, contents of motions, resolutions of Audit Committee and the Company's response to Audit Committee's opinion should be specified:

(1) Matters referred to in Article 14-5 of the Securities and Exchange Act:

(2) Resolutions which were not approved by the Audit Committee but were approved by two thirds or more of all directors:

As to the description of the two items above, please refer to the details of the Audit Committee's opinions to the material motions of the board of directors and the Company's response to independent directors' opinion stated on page 3-29.

II. If there is independent directors' avoidance of motions in conflict of interest, the independent directors' names, contents of motions, causes for avoidance and voting should be specified: There were no 2019 Audit Committee's motions in conflict of interest with the independent directors.

2. Communications by and between independent directors and the Auditor-General and the Certified Public Accountants: The Company's Auditor-General reports to the Audit Committee (independent directors) about the audit plans for the ensuing year and, quarterly at least report to them regarding the implementation of the audit on the internal control system. In case of an extraordinary event, the Auditor-General would report to the Audit Committee forthwith. The Audit Committee may directly inquire with the Auditor-General or the Certified Public Accountant. The Certified Public Accountants may, as well, directly report without being accompanied by the management, to the Audit Committee about the audit or recheck findings and suggestions. They have been in very intimate communications and interactions. Communications in 2019 between the independent directors, the Company's Auditor-General and the Certified Public Accountants were as follows:

Date	Mode	Object	Issues to communicate	Comment from the independent directors
01/29/2019	Audit Committee	Auditor-General	Report on performance in internal audit	Committee member Mr. Hong San-Xiong inquired in response to the previous audit case "Sinyi Jiating Project where the customers failed to complete the relevant procedures after the real property had been delivered", focusing on whether the Company's contract offered relevant protection. Meanwhile, the chairperson inquired into the time schedule of the corrective action. The Auditor-General responded with all details.
02/25/2019	Audit	Auditor-	Report on	1. Committee member Mr. Jhan Hong-Chih suggested that the auditing unit

Date	Mode	Object	Issues to communicate	Comment from the independent directors
	Committee	General	performance in internal audit	<p>should find out the cause of each discovered incident to look into the responsible unit and the effective internal processes to rule out potential recurrence of the same or similar incident in the future. He suggested as well we should design a complete management method to control potential risk events, such as setting up inspection forms for procurement methods. If there are those who do not meet the requirements of the internal form, the next step should not be performed to prevent potential recurrence of such risk</p> <p>2. The chairperson suggested that the audit unit should summarize the reason for the occurrence of the incident, as a result of poor design of the internal control system or poor implementation of the operating process. The audit unit should not only strengthen the monitoring frequency, but also design effective internal processes to take measures to detect or eliminate the reason for occurrence of the incident at the early stage.</p> <p>3. Committee member Mr. Hong San-Xiong suggested that specific and feasible internal control improvement measures should be put forward to assist public institutions in implementing relevant management procedures.</p>
			Declaration on internal control system in 2018	The present issue is duly passed exactly as proposed as no objection was heard in response to the inquiry by the chairperson toward all participating Committee members and would be further submitted to the board of directors for final decision.
		CPA and Auditor-General	Compilation of consolidated financial statements and individual financial statements of 2018	The fact where the Certified Public Accountant attended the audit report in 2018 and the key findings. The Chairperson suggested that the internal audit unit should include the tracking items in the internal control processes in the audit findings reported by the Certified Public Accountant in order to further improve the internal control procedures in the future.
04/08/2019	Audit Committee	Auditor-General	Report on performance in internal audit	Both the chairman and Committee member Mr. Jhan Hong-Chih said that the unqualified rate in the random inspection of the Branchs' fire extinguishers was excessively too high and suggested that a comprehensive inspection should be conducted to ensure the safety of colleagues and property of the Branch. The Auditor-General responded by saying that the audit unit shall ask the Department of General Affairs to conduct an overall inspection and replace unqualified fire extinguishers.
04/29/2019	Audit Committee	Auditor-General	Report on performance in internal audit	The chairperson inquired into the follow-up improvement status of the Auditor Office in response to the "status of fire extinguisher installation in the Branch as previously reported" and "the intermediary business information system and backup system may be interrupted at the same time for Mainland China" and the executive manager of the Auditor Office would respond to explain the improvement measures of the relevant inspection operations. The improvement of the implementation of the information backup system for the mainland agency business should be incorporated into the tracking report.
		CPA	Consolidated financial	The certified public accountant attended the report about the findings to review the

Date	Mode	Object	Issues to communicate	Comment from the independent directors
			statements for Quarter I, 2019	findings of the consolidated financial statements of the first quarter of 2019. This proposal was approved by the chairperson after consulting all the attending members who responded with no any other opinions and the proposal should be submitted to the Board of Directors for final decision.
05/31/2019	Audit Committee	Auditor-General	Report on performance in internal audit	<ol style="list-style-type: none"> 1. Regarding the previous audit follow-up issue in view of the unqualified rate of fire extinguisher survey results, Committee member Mr. Jhan Hong-Chih asked whether to consider replacing the outsourced manufacturer and re-examine the contract anew, and proposed to establish operating specifications for the control and management of expiring fire extinguishers. In addition, the chairperson asked about the quality of the supplier and Committee member Mr. Mr. Hong San-Xiong asked about the actual rate of abnormal fire extinguishers. The Auditor-General responded to the explanation and stated that they would test extinguishers on a semiannual basis in the future. At present, they would team up with the Department of General Affairs regarding relevant operating methods. 2. Regarding the asset security backup system of the subsidiary in Mainland China, the chairperson asked about the subsequent improvement progress, and the executive manager of the Auditor Office duly responded and explained. 3. The chairperson inquired about the follow-up progress of the subsidiary's management regulations and measures, and the executive manager of the Auditor Office responded and explained in return. In addition, Committee member Ms. Li Yi-Li suggested that the improvement schedule of the tracking items should be unified on a monthly basis to facilitate tracking timeliness.
06/14/2019	Audit Committee	Auditor-General	Report on performance in internal audit	Duly acknowledged.
07/29/2019	Audit Committee	Auditor-General	Report on performance in internal audit	Duly acknowledged.
		CPA	Consolidated financial statements for Quarter II, 2019	The certified public accountant attended and reported the findings about the review into the consolidated financial statements of the second quarter of 2019. The chairperson, meanwhile, inquired about the reasons for the year-on-year decrease in operating costs of the second quarter of 2019 of the subsidiary An Hsin Construction Management Co., Ltd. and Shanghai Sinyi Real Estate Agency Co., Ltd. The Auditor-General and CFO explained duly in response.
08/28/2019	Audit Committee	Auditor-General	Report on performance in internal audit	Chairperson and Committee member Hong San-Xiong suggested that the housing intermediary business system should be gradually implemented toward relevant subsidiaries in Japan, Malaysia and the Mainland China after the Company has established a compliance system for Money Laundering Control Act.
09/17/2019	Audit	Auditor-	Report on	Duly acknowledged.

Date	Mode	Object	Issues to communicate	Comment from the independent directors
	Committee	General	performance in internal audit	
10/28/2019	Symposium	Auditor-General, CPA	Audit programming for Sinyi Group for Year 2020.	<ol style="list-style-type: none"> 1. Set up an audit plan on the grounds of the "Regulations Governing Establishment of Internal Control Systems by Public Companies" which requires important operational cycles and management operations to be checked. 2. Materiality principle: Reduce the frequency of audits by finding those who have low risks and no missing audit reports in the past two years, and allocate audit resources to the new business in Year 2020. 3. Risk management: It focuses on the five major annual risk projects selected by the Group Ethics Committee at the group level. The risks at the business and department levels are checked simultaneously when auditing various subsidiaries and departments. 4. Continuously improve the Group's internal control management by implementing internal control systems, independent audit management, continuous periodic audits and major risk management.
		Audit Committee	Auditor-General	Report on performance in internal audit
	CPA	Consolidated financial statements for Quarter III, 2019	The certified public accountant attended and reported regarding the review and findings in the consolidated financial statements for the third quarter of 2019. The chairperson asked about the depreciation of the renminbi and its future response and the CFO replied that in the future, to carry out the overall overseas capital planning of the entire Group, the capital requirements of the development business in Mainland and the related tax burden of the retained earnings remitted back to Taiwan would be taken into consideration.	
12/30/2019	Audit Committee	Auditor-General	Report on performance in internal audit	The chairperson suggested that the number of internal audit business reporting items is increasing, and the Auditor Office should summarize and integrate those items reported to the board of directors depending on the importance of each item, and should pay added attention to the role of internal audit to review the operating unit's risks rather than focus on the affairs of supervision, tracking and other things that the investigated department should do.

3. The opinions of the Audit Committee of in Year 2019 on the major proposals of the board of directors and the company's handling of the opinions of the audit committee are as follows:

Board of Directors Meeting – Session and the Date	Content of the proposals	Article 14-5 of Securities and Exchange Act	Resolutions which were not approved by the Audit Committee but were approved by two thirds or more of all directors	Audit Committee's comment	The response to the Audit Committee's suggestion by the Company
Session 12-28 th 01/29/2019	1. Amendments to the Company's Accounting System.	✓	Nil	1. Committee member Mr. Hong San-Xiong proposed in response to the Proposal 2 that with the development of the Group's operations and frequent transactions amidst overseas subsidiaries, the rules and regulations of overseas subsidiaries should be summarized in the future, and a summary of the powers of approval and inter-group funds loaning and balances should be compiled so that members of the Audit Committee and the board of directors can better understand the full picture of fund dispatching. 2. Proposals 1-4 were passed with the recommendation mentioned above by all the members present without objection, and would be submitted to the board of directors for final decision.	The proposals above were approved by all board members present at the Board meeting.
	2. Loaning of funds among the Company's subsidiaries.	✓	Nil		
	3. Provision of collateral and endorsement/guarantee among the Company's subsidiaries.	✓	Nil		
	4. Proposal for the Company's capital increase toward its subsidiaries.	✓	Nil		
Session 12-28 th 02/25/2019	1. Approval of the Company's consolidated financial statements and individual financial statements for Year 2018.	✓	Nil	1. With regard to Proposal 1, the Chairperson expressed that due to the increasing amount of meeting data, the agenda unit could consider the feasibility of presenting the proceedings data electronically. In addition, for the items involving internal control	The proposals above were approved by all board members present at the Board meeting and Proposals 1, 3, and 4 were
	2. Proposal of appointment of the certified public accountant and the audit fee for Year 2019.	✓	Nil		
	3. Approval of the Company's Business	✓	Nil		

Board of Directors Meeting – Session and the Date	Content of the proposals	Article 14-5 of Securities and Exchange Act	Resolutions which were not approved by the Audit Committee but were approved by two thirds or more of all directors	Audit Committee's comment	The response to the Audit Committee's suggestion by the Company
	Performance Report for 2018.			processes in the audit findings reported by the certified public accountant, it is suggested that the internal audit unit should put them in the track matter list and follow up the results. 2. Proposals 1~7 were unanimously resolved with the aforementioned suggestions by all participating directors without an objection and would be submitted to the board of directors for final decision.	then submitted to the shareholder's meeting for ratification.
	4. Approval of distribution of the Company's earnings for 2018.	✓	Nil		
	5. Compilation of the Company's Declaration of Internal Control System of Year 2018.	✓	Nil		
	6. Proposal of the Company's overseas subsidiary intending to acquire land by means of open tender.	✓	Nil		
	7. Proposal of amending the amount of outward investment by the Company's overseas branch and its loaning toward its investee.	✓	Nil		
Session 12-30 th 04/08/2019	1. Amendments to the Company's "Regulations Governing Loaning of Funds to Others"	✓	Nil	Proposals 1~4 were unanimously resolved by all participating Committee members without an objection and would be submitted to the board of directors for final decision.	The proposals above were approved by all board members present at the Board meeting and then submitted to the shareholders' meeting for approval.
	2. Amendments to the Company's "Regulations Governing Endorsements/Guarantees"	✓	Nil		
	3. Amendment to the Company's "Procedures for the Acquisition or Disposal of Assets"	✓	Nil		
	4. Amendment to the Company's "Procedures to Engage in Transaction and Disposal of Derivatives"	✓	Nil		
Session 12-31 st 04/29/2019	1. Approval of of the Company's Consolidated Financial Statements of the first quarter of 2019.	✓	Nil	1. In response to Proposal 2, Chairperson inquired into whether the contents of the internal control system would be continually amended in the future. The Auditor-General responds with the plans to amend the internal control	The proposals above were approved by all board members present at the Board meeting.
	2. Amendments to the Company's Internal Control System	✓	Nil		
	3. Loans amidst the Company's subsidiaries	✓	Nil		

Board of Directors Meeting – Session and the Date	Content of the proposals	Article 14-5 of Securities and Exchange Act	Resolutions which were not approved by the Audit Committee but were approved by two thirds or more of all directors	Audit Committee's comment	The response to the Audit Committee's suggestion by the Company
				<p>system on a quarterly basis.</p> <p>2. Chairperson inquired further the key point of loaning of funds toward subsidiaries as per Proposal 3 and the CFO explains in return.</p> <p>3. Proposals 1~3 were unanimously resolved by all participating Committee members without an objection and would be submitted to the board of directors for final decision.</p>	
Session 13-1 st 05/31/2019	1. Proposal of the Company's loaning of funds toward subsidiaries and loaning amidst subsidiaries.	✓	Nil	Proposals 1~2 were unanimously resolved by all participating Committee members without an objection and would be submitted to the board of directors for final decision.	The proposals above were approved by all board members present at the Board meeting.
	2. Proposal of the Company's intending to apply to the financial institution(s) for adjustment of part of loan credit lines and to render endorsements/guarantees toward subsidiaries.	✓	Nil		
Session 13-3 rd 06/14/2019	1. Amendments to the Company's loaning of funds toward subsidiaries and the loan cases amidst subsidiaries themselves.	✓	Nil	<p>1. Committee member Mr. Hong San-Xiong suggested text amendments to Proposal 1.</p> <p>2. Proposals 1~2 were unanimously resolved with the suggestion mentioned above by all participating Committee members without an objection and would be submitted to the board of directors for final decision.</p>	The proposals above were approved by all board members present at the Board meeting.
	2. Proposal of the Company's intending to apply for its subsidiaries for credit limits of exchange rate hedging with provision of endorsements/guarantees.	✓	Nil		
	3. Proposal of capital increase for the Company's subsidiary.	✓	Nil		
Session 13-4 th	1. Approval of the Company's Financial	✓	Nil	1. The Chairperson inquired into	The proposals

Board of Directors Meeting – Session and the Date	Content of the proposals	Article 14-5 of Securities and Exchange Act	Resolutions which were not approved by the Audit Committee but were approved by two thirds or more of all directors	Audit Committee's comment	The response to the Audit Committee's suggestion by the Company
07/29/2019	Statements of the second quarter of 2019.			<p>Proposal 1, the Company's subsidiary An-Sin Real Estate Management Co., Ltd. and Shanghai Sinyi Real Estate Inc. regarding the ause where the operating cost of the second quarter of 2019 decreased compared with 2018 and the Auditor-General and the CFO explained in response.</p> <p>2. Committee member Ms. Li Yi-Li inquired into the rules over the frequency of amendments to the internal control system in Proposal 2. The Chairperson suggested the amendments on an annual basis, with internal control system planning to be amended on a quarterly basis as a sound plan.</p> <p>3. Proposals 1~2 were unanimously resolved with the suggestions mentioned above by all participating Committee members without an objection and would be submitted to the board of directors for final decision.</p>	above were approved by all board members present at the Board meeting.
	2. Amendments to the Company's internal control system.	✓	Nil		
Session 13-5 th 08/28/2019	1. The proposal that the Company's subsidiary intends to invest in development of real property.	✓	Nil	The Proposal 1 and 2 were unanimously resolved by all participating Committee members without an objection and would be submitted to the board of directors for final decision.	The proposals above were approved by all board members present at the Board meeting.
	2. The proposal that the Company intends to launch capital increase over its subsidiary and the subsidiary's development in real property.	✓	Nil		
Session 13-6 th	1. The proposal that the Company's	✓	Nil	1. Committee member Ms. Li Yi-Li	The proposals

Board of Directors Meeting – Session and the Date	Content of the proposals	Article 14-5 of Securities and Exchange Act	Resolutions which were not approved by the Audit Committee but were approved by two thirds or more of all directors	Audit Committee's comment	The response to the Audit Committee's suggestion by the Company
09/18/2019	subsidiary intends to acquire real property.			<p>inquired the way to access to Mengalum Island and whether the duration period of the jetty license would affect future development plans. The Chairperson asked what the maximum uncertainty risk was in transferring the right-of-use land in the present proposal, and inquired about the rental and the cost of construction of the jetty facilities; member Committee member Mr. Jhan Hong-Chih asked on the other hand about the estimated cost of future development plans. .</p> <p>2. The aforementioned inquiries were responded by the CFO and further supplemented by Director Chou Chun-Chi about the process of negotiation in the present proposal. The present issue was unanimously resolved by all participating Committee members without an objection and would be submitted to the board of directors for final decision.</p>	above were approved by all board members present at the Board meeting.
Session 13-7 th 10/28/2019	1. Approval of the Company's consolidated financial statements of the third quarter of 2019.	✓	Nil	1. The Chairperson inquired into Proposal 1, the devaluation of the RMB and the future countermeasures. The CFO replied that the Company would in the future take into consideration the capital requirements of development	The proposals above were approved by all board members present at the Board meeting.
	2. Amendments to the Company's internal control system.	✓	Nil		

Board of Directors Meeting – Session and the Date	Content of the proposals	Article 14-5 of Securities and Exchange Act	Resolutions which were not approved by the Audit Committee but were approved by two thirds or more of all directors	Audit Committee's comment	The response to the Audit Committee's suggestion by the Company
				<p>business unit in Mainland and the related tax burden of the remitting back the earnings when carrying out the overall overseas capital planning of the entire Group.</p> <p>2. Both Proposals 1 and 2 were unanimously passed exactly as proposed without an objection after the Chairperson inquired with all participating Committee members who responded with no other opinions.</p>	
Session 13-8 th 12/30/2019	1. Amendments to the Company's internal control system.	✓	Nil	<p>1. The Chairperson inquired into the proposal 2 that given account the current status of human resources of the Auditor Office, whether or the Auditor Office has enough capacity to provide consulting services as required under Chapter Five of the Internal Audit Implementation Rules. The Auditor-General responded and adjusted some of the provisions of the Internal Audit Implementation Rules accordingly.</p> <p>2. Proposals 1~5 were unanimously resolved by all participating Committee members without an objection in response to inquiry by the Chairperson and would be submitted to the board of directors for final decision.</p>	The proposals above were approved by all board members present at the Board meeting.
	2. Amendments to the Company's Internal Audit Implementation Rules.	✓	Nil		

(III) Relevant information of Remuneration Committee

To assure wholesome corporate governance and intensify the managerial function in remuneration by the board of directors to help implement and evaluate the overall payroll and fringe benefits policies and the remuneration for directors and ranking managers, the Company set up as duly resolved in the board of directors the Remuneration Committee as early as August 2010, far earlier before the competent authority required so. the Remuneration Committee was organized by all independent directors to carry out such responsibilities and powers: 1. Enactment and review on a regular basis the performance evaluation and remuneration policies, systems, criteria and structure of directors and managers. 2. Evaluation on a regular basis and fixing remuneration for directors and managers. 3. Review over incentive remuneration plans or share-based payments for employees. 4. Suggestion on amendment of the organization of Remuneration Committee. 5. Handling of issues assigned by the board of directors. At the moment, the Remuneration Committee is organized by four independent directors, with Independent director Hong San-Xiong serving as the chairperson and convener. Since it first came into being, the Remuneration Committee has been in sound and satisfactory performance, conducting self-performance evaluation on a regular basis to upgrade the performance of the Committee.

1. Information and data of Remuneration Committee members:

Position	Names	Meet One of the Following Professional Qualification Requirements, Together with at Least Five Years Work Experience			Independence Information (Note)										Number of Other Public Companies Concurrently Serving as a Member of Remuneration Committee	Remark	
		An instructor in or a higher position in a department of commerce, law, finance, accounting, or other academic department related to the business needs of the Company in a public or a private junior college, college, or university	A judge, public prosecutor, attorney, certified public accountant, or other professional or technical specialists who has passed a national examination and been awarded a certificate in a profession necessary for the business of the Company	Have work experience in the area of commerce, law, finance, or accounting, or otherwise necessary for the business of the Company	1	2	3	4	5	6	7	8	9	10			
Independent Director	Hong San-Xiong			✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	-	-
Independent Director	Jhan Hong-Chih			✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	2	-
Independent Director	Yen Lou-Yu	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	2	-
Independent Director	Li Yi-Li			✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	-	-

Note 1: Please tick with ✓ mark in the boxes below where the Remuneration Committee members prove to have met with the conditions enumerated below in two years before being appointed and during their tenure of office.

(1) Not an employee of the Company or any of its affiliated enterprises.

- (2) Not as directors and supervisors of the Company or its affiliated enterprise(s) (except those who concurrently serve as independent directors established by the Company and its parent company, subsidiary company, or subsidiary company of the same parent company in accordance with this law or local laws and regulations).
- (3) Not a natural person shareholder who holds shares, together with those held by the person's spouse, minority or held by the person under others' names, in an aggregate amount of 1% or more of the total number of outstanding share of the Company or rank as top-10 shareholders.
- (4) Not as managers enumerated under (1) or spouses, blood relatives within the second degree of kinship or lineal relatives by blood within the third degree enumerated under (2) (3).
- (5) Not as a director, supervisor, or corporate shareholder who directly holds more than 5% of the total outstanding shares of the Company, holds the among the top five or as designated as the corporate director or supervisor in accordance with Paragraph 1 or 2 of Article 27 of the Company Act (This, nevertheless, does not apply to an event where an independent director serves the post concurrently for the parent company, subsidiary or an independent director duly established in accordance with the Act or the laws and ordinances concerned prevalent in the home country)
- (6) Not as a director, supervisor or employee of another company where the Company holds director seats or voting shares in excess of one half majority (This, nevertheless, does not apply to an event where an independent director serves the post concurrently for the Company, parent company, subsidiary or an independent director duly established in accordance with the Act or the laws and ordinances concerned prevalent in the home country) °
- (7) Not as the Company's chairperson, general manager or one of the equivalent position or the spouse thereof, or a director (trustee), supervisor (supervisory person) or employee (This, nevertheless, does not apply to an event where an independent director serves the post concurrently for the parent company, subsidiary or an independent director duly established in accordance with the Act or the laws and ordinances concerned prevalent in the home country) °
- (8) Not as a director (trustee), supervisor (supervisory person), manager or a shareholder holding more than 5% of the total shares of a specific company or entity in financial or other business transaction with the Company (This, nevertheless, does not apply to an event where such specific or entity holds more than 20% not beyond 50% of the total outstanding shares, and as an independent director who concurrently serves the post by the parent company, subsidiary or a subsidiary of a same parent company in accordance with the Act or the laws and regulations prevalent in the home country).
- (9) Not as a professional, sole proprietorship, partnership, company or organization who provides audit services for the Company or affiliated company thereof or has obtained remuneration in the past two years with cumulative remuneration not above NT \$ 500,000, a partner, director (trustee), supervisor (supervisory person), manager and the spouse thereof, but excluding a member of the Remuneration Committee, the Public Acquisition Review Committee, or the special committee on mergers and acquisitions that perform their functions in accordance with the relevant laws of the Securities and Exchange Act or the Business Mergers and Acquisitions Act.
- (10) Not been a person or any conditions defined in Article 30 of the Company Act.

2. Information of performance by the Remuneration Committee:

- (1) The Company's Remuneration Committee is composed of four (4) members.
- (2) Tenure of office of Remuneration Committee members of the current session: May 31, 2019~May 23, 2022.
- (3) During the period starting from January 1 until March 31, 2020, the Remuneration Committee convened meetings twice in total which were attended by all Committee members in full. During 2019, the Remuneration Committee convened five meetings with 94% of average

attendance rate and the participation facts were as enumerated below:

Title	Name	Times of Attendance in Person	Times of Attendance by Proxy	Actual Attendance Rate (%)	Remarks
Committee member (Convener)	Hong San-Xiong	5	-	100%	Nil
Committee member	Jhan Hong-Chih	5	-	100%	Nil
Committee member	Yen Lou-Yu	5	-	100%	Nil
Committee member	Li Yi-Li	1	1	50%	Newly elected in the overall reelection held on 5/24/2019, appointed to the post on 5/31/2019, required to participate in the meetings twice, participating in the meeting through another Committee member as her proxy on 12/30/2019.

Other matters to be noted in the meeting minutes:

1. If the board of directors refuses to accept or modify suggestions of the Remuneration Committee, the meeting date, session, agenda content, results resolved by the board of directors, and the Company's treatment of opinion of the Remuneration Committee should be clearly stated: Nil.
2. If the members have opposite opinion or reservations against the resolution of the Remuneration Committee and the opinion or reservations have been recorded or documented, the meeting date, session, agenda content, the opinion of all members of the Remuneration Committee, and the treatment of the members' opinion should be clearly stated: Nil.

(4) Opinions of the Remuneration Committee toward the key issues of the board of directors in 2019, and the feedbacks by the Company in response to the opinions posed by the Nomination Committee:

Session and the date	Significant decisions resolved	Resolutions which were not approved by the Remuneration Committee but were approved by two thirds or more of all directors	Remuneration Committee's comment	he response to the Remuneration Committee's suggestion by the Company
Session 12-28 th 01/29/2019	1. Amendments to the list of senior executives for 2019 eligible to the regulations of the Company's authorized chief officer's compensation.	Nil	The proposal 1 and 2 were unanimously passed by all participating Committee members in full without an objection, and submitted to the board of directors for final decision.	The proposals were submitted to the board of directors for discussion. Except that Vice Chairperson Hsueh Chien-Ping, Auditor-General and CFO, the authorized chief officers, left the meeting when deliberation or voting took place, the two proposals were unanimously passed by all participating Committee members in
	2. The proposal of year-end bonus and annual performance incentive for 2018 for authorized chief officers of the Company.	Nil		

Session and the date	Significant decisions resolved	Resolutions which were not approved by the Remuneration Committee but were approved by two thirds or more of all directors	Remuneration Committee's comment	he response to the Remuneration Committee's suggestion by the Company
				full.
Session 12-29 th 02/25/2019	1. The proposal of distribution ratio of the remuneration to employees and remuneration to directors of the Company for 2018	Nil	The proposals were unanimously passed by all participating Committee members in full without an objection, and submitted to the board of directors for final decision.	Submitted to the board of directors for discussion and unanimously passed by all participating Committee members in full.
	2. The proposal of the short-term performance bonus and long-term value contribution bonus of 2018 for the Company's authorized chief officers.	Nil		Submitted to the board of directors for discussion. Except that Vice Chairperson Hsueh Chien-Ping, Auditor-General and CFO, the authorized chief officers, left the meeting when deliberation or voting took place, the proposal 2 was unanimously passed by all participating Committee members in full
Session 12-31 th 04/29/2019	1. Proposal of salary raise of the Company's authorized chief officers in Year 2019.	Nil	The proposal was unanimously passed by all participating Committee members in full without an objection, and submitted to the board of directors for final decision.	Submitted to the board of directors for discussion. Except that Vice Chairperson Hsueh Chien-Ping, Auditor-General and CFO, the authorized chief officers, left the meeting when deliberation or voting took place, the proposal was unanimously passed by all participating Committee members in full
Session 13-2 nd 05/31/2019	1. Proposal of remuneration to the Company's independent directors in the board of directors of 13th session.	Nil	During the process of discussion about remuneration to independent directors, the involved independent directors would withdraw from conflict involvement (recusal). The issue was duly passed without an objection and was duly resolved in the board of directors.	The issue was submitted to the board of directors for discussion. Except during discussing the remuneration of individual independent directors, that independent director withdrew from conflict involvement (recusal), all participating directors voted to pass the subject issue plenary.
	2. Proposal of remuneration to the	Nil	Unanimously passed by all	Submitted to the board of directors

Session and the date	Significant decisions resolved	Resolutions which were not approved by the Remuneration Committee but were approved by two thirds or more of all directors	Remuneration Committee's comment	he response to the Remuneration Committee's suggestion by the Company
	Company's staff as authorized chief officers for year 2018		participating Committee members in full without an objection, and submitted to the board of directors for final decision.	for discussion. Except that Vice Chairperson Hsueh Chien-Ping, Auditor-General and CFO, the authorized chief officers, left the meeting when deliberation or voting took place, the proposal was unanimously passed by all participating Committee members in full
	3. Proposal of payment of the remuneration to the Company's directors in 2018	Nil	During the process of discussion about remuneration to independent directors, the involved independent directors would withdraw from conflict involvement (recusal). The issue was duly passed without an objection and was duly resolved in the board of directors.	The issue was submitted to the board of directors for discussion. Except during discussing the remuneration of individual independent directors, that independent director withdrew from conflict involvement (recusal), all participating directors voted to pass the subject issue plenary.
Session 13-23 rd 12/30/2019	1. Proposal of list of senior executives for 2020 eligible to the regulations of the Company's authorized chief officer's compensation.	Nil	The proposal was unanimously passed by all participating Committee members in full without an objection, and submitted to the board of directors for final decision.	Submitted to the board of directors for discussion. Except that Vice Chairperson Hsueh Chien-Ping, Auditor-General and CFO, the authorized chief officers, left the meeting when deliberation or voting took place, the proposal was unanimously passed by all participating Committee members in full

(IV) Relevant information of Nomination Committee

In addition to the regulations and requirements of the laws and ordinances concerned, the Company has duly established an Audit Committee and Remuneration Committee. Further at its discretion, the Company set up the Nomination Committee on October 27, 2017 which consists of 4 independent directors and a total of 5 directors of the Company. The four Nomination Committee meetings were convened in 2019, including the efforts to offer list of candidates for 13th Session board of directors with further efforts to

complete preliminary review process on the qualifications conditions, with or without potential facts among those listed in Article 30 of the Company Act. Subsequently thereafter, all the nominees were granted a pass in the board of directors and the directors and independent directors of the Company for the thirteen session were successfully elected. The Nomination Committee also made proposals to amend the Code of Corporate Governance, nominate the Corporate Governance Chief Officer and plan Directors Refresher Course for 2019.

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:

- (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 authorized chief officers, and finding, reviewing, and nominating candidates for directors, supervisors, and authorized chief officers 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) Amending corporate governance guidelines of the Company.

1. Information and data of Nomination Committee members:

Position	Names	Meet One of the Following Professional Qualification Requirements, Together with at Least Five Years Work Experience			Relevant expertise	Number of Other Public Companies Concurrently Serving as a Member of Remuneration Committee
		Terms	An instructor in or a higher position in a department of commerce, law, finance, accounting, or other academic department related to the business needs of the Company in a public or a private junior college, college, or university	A judge, public prosecutor, attorney, certified public accountant, or other professional or technical specialists who has passed a national examination and been awarded a certificate in a profession necessary for the business of the Company		
Independent Director	Hong San-Xiong			✓	Having served as the chairperson of a listed company for many years with profound talent and hands-on experiences accumulated in selecting right talents and organizational management.	-

Independent Director	Jhan Hong-Chih			✓	Ditto	-
Independent Director	Yen Lou-Yu	✓	✓	✓	Having served as the Senior Partner for Big Four Accountant firms and managerial & consulting firms of the global scale for many years with profound talent, social network and hands-on experiences accumulated in selecting right talents and organizational management.	-
Independent Director	Li Yi-Li			✓	Having served as the general manager of listed companies for many years with profound talent and hands-on experiences accumulated in selecting right talents and organizational management.	-
Director	Chou Chun-Chi			✓	Having served as the chairperson of the Company for many years with profound talent and hands-on experiences accumulated in selecting right talents and organizational management.	-

2. Information of performance by the Nomination Committee:

- (1) The Company's Nomination Committee is composed of five (5) members.
- (2) Tenure of office of Nomination Committee members of the current session: May 31, 2019 ~ May 24, 2022.
- (3) From January 1 to March 31, 2020, the Nomination Committee convened one (1) meeting, and all the members attended the meeting in person. In 2019, the Nomination Committee convened four (4) meetings with 94 % of average attendance rate. The attendance facts of the Nomination Committee were enumerated below:

Title	Name	Times of Attendance in Person	Times of Attendance by Proxy	Actual Attendance Ratio (%)	Remarks
Committee member(Convener)	Jhan Hong-Chih	4	-	100%	Nil.
Committee member	Yen Lou-Yu	4	-	100%	Nil
Committee member	Chou Chun-Chi	4	-	100%	Nil
Committee member	Hong San-Xiong	4	-	100%	Nil

Committee member	Li Yi-Li	0	1	0%	Newly elected in the overall reelection held on 5/24/2019, appointed to the post on 5/31/2019, required to participate in the meetings once, participating in the meeting through another Committee member as her proxy on 12/30/2019.
Other matters to be noted in the meeting minutes:					
<ol style="list-style-type: none"> 1. If the board of directors refuses to accept or modify suggestions of the Nomination Committee, the meeting date, session, agenda content, results resolved by the board of directors, and the Company's treatment of opinion of the Nominating Committee should be clearly stated: Nil. 2. If the members have opposite opinion or reservations against the resolution of the Nomination Committee and the opinion or reservations have been recorded or documented, the meeting date, session, agenda content, the opinion of all members of the Nomination Committee, and the treatment of the members' opinion should be clearly stated: Nil. 					

(4) Opinions of the Nomination Committee toward the key issues of the board of directors in 2019, and the feedbacks by the Company in response to the opinions posed by the Nomination Committee:

Session and the date	Significant decisions resolved	Resolutions which were not approved by the Nomination Committee but were approved by two thirds or more of all directors	Nomination Committee's comment	The response to the Committee members' suggestion by the Company
Session 12 28 th 01/29/2019	1. Amendments to the Company's Corporate Governance Best-Practice Principles.	Nil	The proposal unanimously passed by all participating Committee members in full without an objection, and submitted to the board of directors for final decision.	As per discussion in BOD, the proposals above were approved by all board members present at the Board meeting.
Session 12 29 th 02/25/2019	1. About the number of the Company's directors to be elected for Session 13.	Nil	The chairperson suggested that when nominating new director candidates, gender and age should be taken into account. For example, young female independent director candidates may be included to increase the	As per discussion in BOD, the proposals above were approved by all board members present at the Board meeting.

Session and the date	Significant decisions resolved	Resolutions which were not approved by the Nomination Committee but were approved by two thirds or more of all directors	Nomination Committee's comment	The response to the Committee members' suggestion by the Company
			diversity of board members for better future development of the Group.	
Session 12 30 th 04/08/2019	1. Planning for refresher and higher education program for the Company's directors for 2019.	Nil	<p>1. The chairperson stated that the two curriculum plans mentioned in proposal 1 meet the current practical requirements, but one of the other options could be listed as a backup course to facilitate the follow-up planning and flexible adjustment for the staff-in-charge.</p> <p>2. Where the Committee members discussed whether the members to be the candidates consistent with the qualification requirements in the respective proposal 3 and 4, the respective Committee members left the meeting and withdrew from conflict involvement (recusal) from the voting process.</p> <p>3. Except the above, the motions listed on the left-hand side were passed by the remaining Committee members without objection and referred to the</p>	Those proposals were submitted to the board of directors for discussion. Except the respective director left the meeting and withdrew from conflict involvement (recusal) from the voting process when discussing whether the members to be the candidates consistent with the qualification requirements in the respective proposal 3 and 4 the motions listed on the left-hand side are approved by the remaining directors present in the event.
	2. Appointment of the head for the corporate governance for the Company.	Nil		
	3. Candidates for directors of the Company's board of directors for Session 13.	Nil		
	4. Proposal to lift the prohibition of business strife from the directors newly appointed for the Board of Directors in Session 13 (including representatives)	Nil		

Session and the date	Significant decisions resolved	Resolutions which were not approved by the Nomination Committee but were approved by two thirds or more of all directors	Nomination Committee's comment	The response to the Committee members' suggestion by the Company
			board of directors for final decision.	

(V) The performance of corporate governance and the status on discrepancy and reasons in relation to the Corporate Governance Best Practice Principles for TWSE/GTSM Listed Companies

Evaluation Items	Facts of performance (Note 1)			Status on discrepancy and reasons in relation to Corporate Governance Best Practice Principles for TWSE/GTSM Listed Companies
	Yes	No	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"?	V		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, 2018, 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 relationship website of the Company. (http://www.Sinyi.com.tw/info/company.php)	Nil
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,	V		The Company specified investor relationship 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.	Nil

Evaluation Items	Facts of performance (Note 1)			Status on discrepancy and reasons in relation to Corporate Governance Best Practice Principles for TWSE/GTSM Listed Companies
	Yes	No	Description of Summary	
and implement in accordance with such procedures?				
(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?	V		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.	Nil
(III) Does the Company establish and execute the risk control and firewall mechanism with the affiliated enterprises?	V		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.	Nil
(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?	V		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.	Nil
III. Organization and Functions of Board of Directors				
(I) Does the Board of Directors prepare diversified guidelines in response to the organization of members	V		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	Nil

Evaluation Items	Facts of performance (Note 1)		Status on discrepancy and reasons in relation to Corporate Governance Best Practice Principles for TWSE/GTSM Listed Companies																																																																																																																																														
	Yes	No																																																																																																																																															
and actualize the execution?		<p>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> <table border="1"> <thead> <tr> <th rowspan="2">Director</th> <th rowspan="2">Diversified core ability</th> <th rowspan="2">Gender</th> <th colspan="5">Expertise and skills</th> <th colspan="8">Fact in conformity in capabilities</th> </tr> <tr> <th>Law</th> <th>Accounting</th> <th>Industry</th> <th>Finance</th> <th>Marketing</th> <th>Technology</th> <th>Management ability</th> <th>Leadership</th> <th>Industry knowledge</th> <th>Talent education</th> <th>Performance evaluation</th> <th>Accounting and finance</th> <th>Law</th> <th>Environmental protection</th> </tr> </thead> <tbody> <tr> <td>Hsueh Chien-Ping</td> <td>M</td> <td></td> <td>✓</td> <td>✓</td> <td>✓</td> <td>✓</td> <td></td> <td>✓</td> <td>✓</td> <td>✓</td> <td>✓</td> <td>✓</td> <td>✓</td> <td></td> <td></td> </tr> <tr> <td>Chou Wang Mei-Wen</td> <td>F</td> <td></td> <td></td> <td>✓</td> <td>✓</td> <td></td> <td></td> <td>✓</td> <td>✓</td> <td>✓</td> <td>✓</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Chou Chun-Chi</td> <td>M</td> <td>✓</td> <td></td> <td>✓</td> <td>✓</td> <td></td> <td></td> <td>✓</td> <td>✓</td> <td>✓</td> <td>✓</td> <td></td> <td></td> <td>✓</td> <td>✓</td> </tr> <tr> <td>Hong San-Xiong</td> <td>M</td> <td>✓</td> <td></td> <td></td> <td>✓</td> <td></td> <td></td> <td>✓</td> <td>✓</td> <td></td> <td>✓</td> <td>✓</td> <td></td> <td>✓</td> <td></td> </tr> <tr> <td>Jhan Hong-Chih</td> <td>M</td> <td></td> <td>✓</td> <td></td> <td>✓</td> <td>✓</td> <td>✓</td> <td>✓</td> <td>✓</td> <td></td> <td>✓</td> <td>✓</td> <td>✓</td> <td></td> <td></td> </tr> <tr> <td>Yen Lou-Yu</td> <td>M</td> <td></td> <td>✓</td> <td>✓</td> <td>✓</td> <td></td> <td>✓</td> <td>✓</td> <td>✓</td> <td>✓</td> <td>✓</td> <td>✓</td> <td>✓</td> <td></td> <td></td> </tr> <tr> <td>Li Yi-Li (Note)</td> <td>F</td> <td></td> <td>✓</td> <td></td> <td>✓</td> <td></td> <td></td> <td>✓</td> <td>✓</td> <td></td> <td>✓</td> <td>✓</td> <td>✓</td> <td></td> <td></td> </tr> </tbody> </table> <p>Note: Independent Director Li Yi-Li was newly elected into the office on 5/24/2019.</p> <p>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</p>	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		✓		✓			✓	✓		✓	✓	✓			
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Evaluation Items	Facts of performance (Note 1)			Status on discrepancy and reasons in relation to Corporate Governance Best Practice Principles for TWSE/GTSM Listed Companies												
	Yes	No	Description of Summary													
			<p>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".</p> <p>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.</p> <p>The age and gender of board of directors members:</p> <table border="1" data-bbox="772 1173 1832 1308"> <thead> <tr> <th colspan="2">Age range</th> <th colspan="2">Gender</th> </tr> <tr> <th>Over 30 and below 50 (inclusive)</th> <th>Over 50</th> <th>Male</th> <th>Female</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>6</td> <td>5</td> <td>2</td> </tr> </tbody> </table>	Age range		Gender		Over 30 and below 50 (inclusive)	Over 50	Male	Female	1	6	5	2	
Age range		Gender														
Over 30 and below 50 (inclusive)	Over 50	Male	Female													
1	6	5	2													
(II) The Company, besides establishing Remuneration		V	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	Nil												

Evaluation Items	Facts of performance (Note 1)			Status on discrepancy and reasons in relation to Corporate Governance Best Practice Principles for TWSE/GTSM Listed Companies																								
	Yes	No	Description of Summary																									
Committee and Audit Committee in accordance with laws, also voluntarily establishes other committees with similar functions?			<p>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;</p> <table border="1"> <thead> <tr> <th>Director \ Committees</th> <th>Audit Committee</th> <th>Compensation Committee</th> <th>Nomination Committee</th> </tr> </thead> <tbody> <tr> <td>Hong San-Xiong</td> <td>✓</td> <td>✓(Chairperson)</td> <td>✓</td> </tr> <tr> <td>Jhan Hong-Chih</td> <td>✓</td> <td>✓</td> <td>✓</td> </tr> <tr> <td>Yen Lou-Yu</td> <td>✓(Chairperson)</td> <td>✓</td> <td>✓(Chairperson)</td> </tr> <tr> <td>Li Yi-Li</td> <td>✓</td> <td>✓</td> <td>✓</td> </tr> <tr> <td>Chou Chun-Chi</td> <td>-</td> <td>-</td> <td>✓</td> </tr> </tbody> </table> <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 relationship website of the</p>	Director \ Committees	Audit Committee	Compensation Committee	Nomination Committee	Hong San-Xiong	✓	✓(Chairperson)	✓	Jhan Hong-Chih	✓	✓	✓	Yen Lou-Yu	✓(Chairperson)	✓	✓(Chairperson)	Li Yi-Li	✓	✓	✓	Chou Chun-Chi	-	-	✓	
Director \ Committees	Audit Committee	Compensation Committee	Nomination Committee																									
Hong San-Xiong	✓	✓(Chairperson)	✓																									
Jhan Hong-Chih	✓	✓	✓																									
Yen Lou-Yu	✓(Chairperson)	✓	✓(Chairperson)																									
Li Yi-Li	✓	✓	✓																									
Chou Chun-Chi	-	-	✓																									

Evaluation Items	Facts of performance (Note 1)			Status on discrepancy and reasons in relation to Corporate Governance Best Practice Principles for TWSE/GTSM Listed Companies
	Yes	No	Description of Summary	
	V		Company. (http://mops.twse.com.tw/mops/web/t100sb03_1)	
(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 strengthened.</p> <p>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.</p> <p>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</p>	

Evaluation Items	Facts of performance (Note 1)			Status on discrepancy and reasons in relation to Corporate Governance Best Practice Principles for TWSE/GTSM Listed Companies
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			<p>performance evaluations shall be completed before the first board meeting held in the following year.</p> <p>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.</p> <ol style="list-style-type: none"> 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, (5) Participation into the Company's operation, (6) Internal 	

Evaluation Items	Facts of performance (Note 1)			Status on discrepancy and reasons in relation to Corporate Governance Best Practice Principles for TWSE/GTSM Listed Companies
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			<p>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 femilar with the property industry. 2. To plan for the based on the current Sinyi's strategy for purpose of utmost function. 3. To incese 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>	

Evaluation Items	Facts of performance (Note 1)			Status on discrepancy and reasons in relation to Corporate Governance Best Practice Principles for TWSE/GTSM Listed Companies
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(IV) Does the Company periodically evaluate the independence of the certified public accountant?	V		<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 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	V		<ol style="list-style-type: none"> 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 : <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; 	

Evaluation Items	Facts of performance (Note 1)			Status on discrepancy and reasons in relation to Corporate Governance Best Practice Principles for TWSE/GTSM Listed Companies
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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>(4) Arrange and deal with the schedule of of convening the board meetings and shareholders' meetings;</p> <p>(5) Make meeting records for the board meetings and function-committee meetings after the end of meetings twenty days;</p> <p>(6) Assist for the directors to compliance related laws and regulations;</p> <p>(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;</p> <p>(8) Assist the Board and each functional committes to take a self-eveualtion each year and external eveualtion each three year;</p> <p>(9) Supervise and enhance the actual corporate governance issues;</p> <p>(10) Convene investor conferences;</p> <p>(11) Treat the investors and reply the queries asked by them and announce the results of corporate governance issues;</p> <p>(I) 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> <p>(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;</p> <p>(2) Conduct 6 hours training courses for board members at the Company;</p> <p>(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;</p> <p>(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 on the Company's website and please refer to page 3-25 for the relevant content are recorded in the meeting records;</p>	

Evaluation Items	Facts of performance (Note 1)			Status on discrepancy and reasons in relation to Corporate Governance Best Practice Principles for TWSE/GTSM Listed Companies
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			<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>(II) 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>	

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			<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>(III) 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 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.</p> <table border="1"> <thead> <tr> <th rowspan="2">Title/ Name</th> <th colspan="2">Date of Advanced Study</th> <th rowspan="2">Organizer</th> <th rowspan="2">Name of Program</th> <th rowspan="2">Hour</th> </tr> <tr> <th>From</th> <th>To</th> </tr> </thead> <tbody> <tr> <td>Chen Chih-Huan</td> <td>08/07/2019</td> <td>08/07/2019</td> <td>Taiwan Corporate Governance Association</td> <td>The theoretical basis and innovation of Activity Value Management (AVM) and its practical application to enterprise management decision-makingexcha</td> <td>3</td> </tr> </tbody> </table>	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-makingexcha	3	
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	Yes	No	Description of Summary					
					nges			
				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
V. Does the Company establish communication channel of the stakeholders (including but not limited to shareholders, employees,	V		The Company builds a "stakeholders zone" on its official website and discloses on it the way of appeals for stakeholders. 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					

Evaluation Items	Facts of performance (Note 1)			Status on discrepancy and reasons in relation to Corporate Governance Best Practice Principles for TWSE/GTSM Listed Companies		
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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?			communication with stakeholders on December 30, 2019 and disclosed it on the Company's website. (http://www.Sinyi.com.tw/about/stakeholder.php)			
			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. 			

Evaluation Items	Facts of performance (Note 1)			Status on discrepancy and reasons in relation to Corporate Governance Best Practice Principles for TWSE/GTSM Listed Companies		
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			<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 and responses from IR is forwarded to the board. ● Management seeks to enhance the effectiveness of the board with timely delivery of information, convening of meetings and arrangement of directors' visits. 	

Evaluation Items	Facts of performance (Note 1)			Status on discrepancy and reasons in relation to Corporate Governance Best Practice Principles for TWSE/GTSM Listed Companies	
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			<p>Society</p> <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.

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			<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%

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			<p>Suppliers</p> <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?	V		The Company appoints Capital Securities Corporation to process the related affairs of shareholders' meeting.	Nil
VII. Transparent Information Disclosure				
1. Does the Company set up a website to disclose the financial business and the corporate governance information?	V		The Company discloses the related finance, business and stock affair information of the Company in the investor relationship 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).	Nil
2. Does the Company adopt other information disclosure methods (such as setting up an English website, designating	V		1. The Company sets up an English website of investor relationship and provides comprehensive financial information the same as Chinese website of investor relationship, 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)	Nil

Evaluation Items	Facts of performance (Note 1)			Status on discrepancy and reasons in relation to Corporate Governance Best Practice Principles for TWSE/GTSM Listed Companies
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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.)?			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 relationship 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?	V		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.	Nil
VIII. Does the Company have other available important information helpful to understand the corporate governance and performance status (including but not limited to employee interests,	V		1. Employee Interests and Employee Concern: The Company towards its internal colleagues, besides providing related interests, also provides professional 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	Nil

Evaluation Items	Facts of performance (Note 1)			Status on discrepancy and reasons in relation to Corporate Governance Best Practice Principles for TWSE/GTSM Listed Companies
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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>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 Relationship: 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</p>	

Evaluation Items	Facts of performance (Note 1)			Status on discrepancy and reasons in relation to Corporate Governance Best Practice Principles for TWSE/GTSM Listed Companies
	Yes	No	Description of Summary	
			<p>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:</p> <p>(1) The purchase personnel of the Company would jointly with the purchase requisition unit/department 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:</p> <p>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</p>	

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			<p>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> <table border="1"> <thead> <tr> <th rowspan="2">Title/ Name</th> <th colspan="2">Date of Advanced Study</th> <th rowspan="2">Organizer</th> <th rowspan="2">Name of Program</th> <th rowspan="2">Hour</th> <th rowspan="2">Whether the advanced study conforms to regulations (Note 1)</th> </tr> <tr> <th>From</th> <th>To</th> </tr> </thead> <tbody> <tr> <td rowspan="2">Legal representative of Sinyi Co., Ltd.: Chueh Chien-Ping, Chairperson</td> <td>08/07/2019</td> <td>08/07/2019</td> <td rowspan="2">Taiwan Corporate Governance Association</td> <td>Theoretical basis and innovation of activity value management (AVM) and its practical application to enterprise management decisions</td> <td>3</td> <td>Yes</td> </tr> <tr> <td>12/13/2019</td> <td>12/13/2019</td> <td>International Trends and Case Studies of Senior Executive Compensation Governance</td> <td>3</td> <td>Yes</td> </tr> <tr> <td>Legal representative of Sinyi Co., Ltd.: Chou Wang Mei-Wen, Vice</td> <td>08/07/2019</td> <td>08/07/2019</td> <td>Taiwan Corporate Governance Association</td> <td>Theoretical basis and innovation of activity value management (AVM) and its practical application to enterprise management decisions</td> <td>3</td> <td>Yes</td> </tr> </tbody> </table>	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	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	
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	Yes	No	Description of Summary							
			Chairperson	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	

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			<table border="1"> <tr> <td></td> <td>08/13/2019</td> <td>08/13/2019</td> <td></td> <td>Future development trends of AI and IOT</td> <td>3</td> <td>Yes</td> </tr> <tr> <td rowspan="2">Li Yi-Li Independent Director</td> <td>08/07/2019</td> <td>08/07/2019</td> <td rowspan="2">Taiwan Corporate Governance Association</td> <td>Theoretical basis and innovation of activity value management (AVM) and its practical application to enterprise management decisions</td> <td>3</td> <td>Yes</td> </tr> <tr> <td>12/13/2019</td> <td>12/13/2019</td> <td>International Trends and Case Studies of Senior Executive Compensation Governance</td> <td>3</td> <td>Yes</td> </tr> </table> <p>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".</p> <p>6. Status of Advanced Study of Managers:</p> <table border="1"> <thead> <tr> <th rowspan="2">Title/ Name</th> <th colspan="2">Date of Advanced Study</th> <th rowspan="2">Organizer</th> <th rowspan="2">Name of Program</th> <th rowspan="2">Hour</th> </tr> <tr> <th>From</th> <th>To</th> </tr> </thead> <tbody> <tr> <td>Chief Accountant Lin Chiu-Chin</td> <td>11/14/2019</td> <td>11/15/2019</td> <td>Accounting Research and Development Foundation</td> <td>Continuing education program of principal accounting officers of issuers, securities firms, and securities exchanges</td> <td>12</td> </tr> </tbody> </table> <p>As to the status of advanced study of corporate governance officer, please refer to page 3-55.</p> <p>7. Execution status of risk management policy and risk measurement standard: The Company already establishes risk management policy and procedures, and periodically reviews the execution status of risk management; please refer to page 8-5.</p>		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	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	
	08/13/2019	08/13/2019		Future development trends of AI and IOT	3	Yes																															
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Evaluation Items	Facts of performance (Note 1)		Status on discrepancy and reasons in relation to Corporate Governance Best Practice Principles for TWSE/GTSM Listed Companies
	Yes	No	
		<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:</p>	

Evaluation Items	Facts of performance (Note 1)			Status on discrepancy and reasons in relation to Corporate Governance Best Practice Principles for TWSE/GTSM Listed Companies
	Yes	No	Description of Summary	
			<p>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> <p>12. Board of Directors members and key management succession planning</p> <p>(1)Selections of the members to the Board of Directors seats</p> <p>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</p>	

Evaluation Items	Facts of performance (Note 1)		Status on discrepancy and reasons in relation to Corporate Governance Best Practice Principles for TWSE/GTSM Listed Companies
	Yes	No	
		<p>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.</p> <p>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.</p> <p>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 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>	

Evaluation Items	Facts of performance (Note 1)			Status on discrepancy and reasons in relation to Corporate Governance Best Practice Principles for TWSE/GTSM Listed Companies
	Yes	No	Description of Summary	
			<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>	

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:

1. General-type questions:
 - (1) Having not entered the contract with employees as a group.
 - (2) Having not conducted voluntary disclosure of financial forecasts.
2. Extra premium questions:

(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.
 The Company has increase one female independent director which constitutes 2 female directors among the 7 directors at the BOD.

(III) Performance of social responsibility and deviations from the "Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies" and reasons:

Evaluation Items	Facts of performance			The discrepancy of such implementation from the Corporate Social Responsibility Best Practice Principles for TSEC/GTSM Listed Companies, and the reason for any such discrepancy		
	Yes	No	Description of Abstract			
I. Does the company assess ESG risks associated with its operations based on the principle of materiality, and establish related risk management policies or strategies?	V		The Company conducts relevant risk assessments on important issues based on the principles of corporate social responsibility and establishes the relevant risk assessment policies according to the evaluated risk as follows:	Nil		
			<table border="1"> <thead> <tr> <th>Material Issue</th> <th>Risk Evaluation Item</th> <th>Risk Management Policy or Strategy</th> </tr> </thead> <tbody> <tr> <td>Environment</td> <td>Climate changes and environment protection</td> <td>The Company is committed to environmental protection, and develops all kinds of green innovative services to respond to customer demand actively. In 2019, the Company promotes the related documents of real estate transactions to be done electronically, continues to reduce the proportion of marketing by paper distribution, and actively promotes online house viewing and interactive services to refine the value of green services. In recent years, the Company actively carries out greenhouse gas inventory and branch carbon neutralization plan. In 2019, the Company was certificated by ISO14064-1greenhouse gas</td> </tr> </tbody> </table>		Material Issue	Risk Evaluation Item
Material Issue	Risk Evaluation Item	Risk Management Policy or Strategy				
Environment	Climate changes and environment protection	The Company is committed to environmental protection, and develops all kinds of green innovative services to respond to customer demand actively. In 2019, the Company promotes the related documents of real estate transactions to be done electronically, continues to reduce the proportion of marketing by paper distribution, and actively promotes online house viewing and interactive services to refine the value of green services. In recent years, the Company actively carries out greenhouse gas inventory and branch carbon neutralization plan. In 2019, the Company was certificated by ISO14064-1greenhouse gas				

Evaluation Items	Facts of performance				The discrepancy of such implementation from the Corporate Social Responsibility Best Practice Principles for TSEC/GTSM Listed Companies, and the reason for any such discrepancy
	Yes	No	Description of Abstract		
				verification statement, ISO 14046 water footprint verification statement, ISO50001 energy management system verification and ISO14001 environment management system verification.	
			Society	Social cares and harmony	The Company pursues the goal of "from making people honest and righteous, then making companies honoring honest and righteous and finally make the society become the honest and righteous society, and for a long time promotes the "One Community One Family Sponsorship Program", which won the 9th Presidential Culture Award, and deeps into Taiwan's remote townships through the power of Sinyi volunteers to plan to guide the communities to change into those with wonderful living environment. The Company has also replaced the concept of "business zone cultivation" with "community service" based on the faith of putting righteousness before profit to meet the various needs of community residents in respect of dwelling.
			Corporate Governance	Law compliance and transparent	To reach the self-expectation of the concept of exceeding the

Evaluation Items	Facts of performance				The discrepancy of such implementation from the Corporate Social Responsibility Best Practice Principles for TSEC/GTSM Listed Companies, and the reason for any such discrepancy
	Yes	No	Description of Abstract		
			information	regulations of the laws, the Company is devoted to protecting the shareholder' rights to know, enhancing the operation efficiency and diversification of the board of directors, setting up independent directors seats more than half of the directors seats and appointing a corporate governance officer. The Company continues to refine corporate governance, setting the goal of becoming a benchmark enterprise regarding to the aspect of corporate governance.	
II. Does the company establish a dedicated or concurrent unit in charge of promoting CSR with senior management authorized by the board to take charge of proposing CSR policies and reporting to the board?	V		<p>The Company establishes "TEM Committee" (Corporate Ethics Promotion Committee), with corporate ethics to serve as the core of corporate social responsibility, to comprehensively solidify the goal of sustainable development direction of corporate social responsibility of the whole company, and periodically review the performance and objective achievement progress periodically. TEM Committee guided each department to solve the related issues to corporate ethics under due planning, actualize the flow reengineering, ensure corporate ethics to be actualized in each sector of operation, to maintain the welfare of stakeholders and report the performance to the board of the directors.</p> <p>Chief Strategy Officer represented our dedicated team for corporate social responsibility in December 2019 to report to the Board our annual achievements in 2019 and plans for 2020. By reviewing the corporate social responsibility policies, systems, management approaches, initiatives and achievements for the year, we revisited the progress with our commitment to five key stakeholders, including:</p>		Nil

Evaluation Items	Facts of performance			The discrepancy of such implementation from the Corporate Social Responsibility Best Practice Principles for TSEC/GTSM Listed Companies, and the reason for any such discrepancy
	Yes	No	Description of Abstract	
			<ol style="list-style-type: none"> 1. the rendering of innovative service to customers; 2. the strengthening on the operation of the board of directors and continuously enhancing the transparency of disclosure of information; 3. the offering of benefits/facilities to our colleagues for their mental/physical/spiritual health and doing best to attract good team player; 4. the efforts in environmental and social welfare issues, also the continual reduce in carbon emissions; 5. the promotional of community projects and assistance to disadvantaged groups on a national level; 6. the ongoing installment of corporate ethics into suppliers' management. <p>The Rules and achievements are also disclosed in the investor relationship website of the Company. (http://www.Sinyi.com.tw/info/i_5_1_csr.php)</p>	
II. Environmental Issues				
1. Does the Company establish a proper environmental management system in response to its industry characteristics?	V		<p>The Company is classified as really estate agent industry which has much lower impact to environment than the manufacturing industries. However, in the "Behavioral Rules of Sinyi Conglomerate", the Company expressly specifies the code of related environmental protection behaviors, and periodically performs publicity of related green energy knowledge to its colleagues, to strengthen the concern and actualization of green environmental protection of colleagues in work and life as well as resource recycling. The Company requests the branch stores to turn off the light of signboard before 22: 00 and to develop the habit of turning off light when leaving. The Headquarter of the Company turn off the light automatically at noon for 1 hour and at 19: 00. the assumed temperature of air conditioners is 26°C. The Company also introduced in life cycle evaluation technology in 2013, to further enhance green service value, and introduces in ISO14064-1 Greenhouse Gas Examination Guidance. In 2018, the Company was</p>	Nil

Evaluation Items	Facts of performance			The discrepancy of such implementation from the Corporate Social Responsibility Best Practice Principles for TSEC/GTSM Listed Companies, and the reason for any such discrepancy
	Yes	No	Description of Abstract	
			certificated by PAS2060 carbon neutrality verification statement, ISO 14046 water footprint verification statement and ISO14001 environmental management system verification statement (during 2018 to 2021). In 2019, the Company was certificated by ISO14064-1greenhouse gas verification statement, ISO 14046 water footprint verification statement, ISO50001 energy management system verification and ISO14001 environment management system verification.	
2. Does the Company endeavor to upgrade the utilization efficiency of various resources, and use the regenerated material with a low impact on environmental load?	V		Though the Company is not in manufacturing industry, yet it still endeavors to promote environmental protection activities: The Company participates in the campaign of “Green Purchase Intent of Private Enterprises and Groups” of the Environmental Protection Administration and Department of Environmental Protection of Taipei City Government, to jointly promote green purchase. The material of environmental protection and LED with high energy saving efficiency and conversion air conditioners are applied to the decoration of various branch stores and the headquarter building. It also continuously promotes such measures as water resource conservancy plan, printing volume control & management of printers, printing is controlled by each employee’s ID, and the increase of the green vegetation of the top floor of the headquarter building, etc. In addition, it also actively promotes overall E orientation and green innovation service R&D, to effectively save paper printing and considerably upgrade service efficiency. The green purchase accumulated amount from 2015 to 2019 reached \$129 million dollars. Please refer to Chapter 4 for more details.	Nil
3. Does the company evaluate potential risks and opportunities brought by climate change, and take response measures to climate-related issues?	V		In addition to increasing the power consumption and increasing the Company's operating costs, the increase in weather temperature will increase the difficulty of colleagues to serve customers, thereby adversely affecting the stability of business personnel and new recruitment and increase the company's operating costs and other risks. The Company will include climate change as one of the major risks of sustainable business. In addition to closely monitoring the development of global climate change trends, analysis of business operational risks, the Company shall explore business	Nil

Evaluation Items	Facts of performance			The discrepancy of such implementation from the Corporate Social Responsibility Best Practice Principles for TSEC/GTSM Listed Companies, and the reason for any such discrepancy
	Yes	No	Description of Abstract	
			<p>opportunities, actively respond to customer needs and do research and develop a variety of green innovation services as below:</p> <ol style="list-style-type: none"> (1) The company conducts systematic analysis and quantifies the environmental and economic benefits of green innovation services. (2) In addition to annual greenhouse gas checks, the carbon neutralization program continues to be promoted in the Company's branch stores, with the expectation that carbon reduction actions will contribute to global carbon reduction targets. We choose a branch from the county and city where the business base is located to carry out carbon neutralization plan, including Tianmu East Road Shop, Linkou Shop, Taoyuan Zhongli Shop, Zhubei HSR Shop, Taichung Fengjia 12th Reconsolidated Area Shop, Changhua Taipu Shop, Tainan Chongshan Shop, and Kaohsiung Chengkung Hanshen Shop. Through the offset of the credit to offset the amount of carbon emissions 90ton of CO₂e which can not be reduced, which was verified by third-party in line with the "PAS2060:2014" specification, the Company announced that 8 operating locations have reached carbon neutral. It is expected that the zero carbon market will be extended to 15 stores throughout Taiwan, and will continue to implement the long-term goal of comprehensive carbon reduction through various environmental verification and participation in international initiatives to promote the CDP carbon disclosure plan. (3) The Company promotes summer uniforms to replace suits and ties with short-sleeved POLO shirts, reducing reliance on air conditioning and making work more comfortable for colleagues; the introduction of commercial casual clothes in 2019 to replace suits and ties will not only in turn help to enhance job satisfaction and efficiency, but also reduce the use of electricity and electricity. (4) The Company's subsidiaries' make good use of BIM and intelligent research and development and other building technology to meet 	

Evaluation Items	Facts of performance		Description of Abstract	The discrepancy of such implementation from the Corporate Social Responsibility Best Practice Principles for TSEC/GTSM Listed Companies, and the reason for any such discrepancy
	Yes	No		
			<p>customer's energy-saving needs.</p> <p>(5) The Company formed a crisis response team, for all kinds of natural disasters to be dealt with in a timely manner, to ensure that personnel and property damage to a minimum.</p> <p>(6) The Group strengthens the use of digital technology, including customer online house-viewing function, digitalization of contract and on-line contract-signing, to enhance the efficiency of serving customers; In addition, the Group also adopts digital advertising to replace the paper-based advertisement model to improve operationa efficiency.</p> <p>The service industry used to promote environmental protection projects from non-operational activities, such as tree planting, clean beaches, etc. However, the Company believes that sustainable operation needs fully integrated environmental protection work and enterprise operations through a systematic way. Therefore, in 2014 the Company's "green management team" began to develop the world's first real estate business services carbon footprint product category specifications for the future related industry to calculate the carbon footprint of real estate business services. Currently, the Company has had eight carbon-neutral and demonstration stores and will be extended to the whole 450 stores in Taiwan.</p> <p>From internal energy savings to external carbon footprint, the Company not only expects to reduce environmental damage in its daily work output, but also will set an example for real estate management service industry in the world with the fine tradition of changing industry standards and continue to exert the Company's influence on the industry and construct and integrate upstream and downstream service system. The selection of decoration materials in home services, as large as the planning of building development cases, are combined with the concept of environmental protection and business operation, and truly implement the sustainable vision of "service industry can also be devoted to environmental protection".</p> <p>Please refer to Chapter 4: General Status of Corporate Social Responsibility</p>	

Evaluation Items	Facts of performance			The discrepancy of such implementation from the Corporate Social Responsibility Best Practice Principles for TSEC/GTSM Listed Companies, and the reason for any such discrepancy
	Yes	No	Description of Abstract	
			Fulfillment for more information.	
4. Does the company compile statistics of greenhouse gas emissions, water use, and total weight of waste in the past two years, and does it establish policies for energy conservation & carbon reduction, greenhouse gas emission reduction, water use reduction, and other waste management?	V		<p>The Company considers environmental protection as an importation foundation of sustainable corporate operation. We focus on the two main axes in environmental protection: “low-carbon services” and “ecological benefits”. We aim to integrate of internal and external resources input, to promote environmental protection values and concepts, to exert corporate influence in order to enhance enterprise opportunities and industrial competitiveness and to reach the 2025 goal of " carbon emissionreduction per real estate transaction service reduced by 10%, per capita carbon emissions of electricity consumption reduced by 10% and per capita water consumption reduced by 15%; base year: 2017”.</p> <p>1. The Company introduced in ISO14064-1 Greenhouse Gas Examination Guidance in 2013. The 2014 greenhouse gas emission volume was inspected by British Standards Institution (BSI) to conform to ISO Greenhouse Gas Examination standard. In 2015, we have been the pioneer who have established the first PCR in the realty industry and applied Carbon Labeling. In addition, we implemented ISO50001 and became the world's first chain service company certified by ISO20121 in 2017. In 2019, the Company was certificated by ISO14064-1greenhouse gase verification statement, ISO 14046 water footprint verification statement, ISO50001 energy management system verification and ISO14001 environment management system verification. For the total greenhouse gas emissions, water consumption and total weight of waste in the 2019 and 2018, please refer to page 4-10.</p> <p>2. The Company's policies for energy conservation and carbon reduction, greenhouse gas reduction, and reduction of water use or other waste management were as follows:</p> <p>(1) Through the carbon footprint check, we found that the dispatched newspapers generating the highest percentage of carbon in sales transactions, which was about 40%. Therefore, the reduction of paper-based advertisements was set as the top innovation target. The</p>	Nil

Evaluation Items	Facts of performance			The discrepancy of such implementation from the Corporate Social Responsibility Best Practice Principles for TSEC/GTSM Listed Companies, and the reason for any such discrepancy
	Yes	No	Description of Abstract	
			<p>innovations developed through this model not only reduce operating costs, but also contribute to the social environment due to the reduction of carbon emissions. This is a win-win strategy. Under this strategy, the Company has launched a number of newspapers, LINE@ living, Top EDM and so on. The action is to lead the real estate industry into a new era of less paper, once again rewrite the history of the use of innovative technology in the real estate industry.</p> <p>(2) Since Taiwan is one of the world's water-scarce countries, the Company in response to stakeholders on water issues, water resources included in the important issues, increase the corresponding major themes and continue to pay attention to the global water resources management trends and continuously track and manage and master the impact of water resources on the company's operational risks and development opportunities through regular annual reviews. Furthermore, the Company does not belong to an industry with high water utilization. Most of the consumed water is under employee daily use. However, it still continuously promotes water resource saving plans, including purchase of such products with water saving logo as water faucet, close-stool, etc., and executes water output volume reduction measure from faucet, to reduce the waste of water resource. By managing water use data and verifying the water footprint through ISO14046:2014, the Company demonstrates its achievements in environmental protection. In order to continuously improve the efficiency of water use, the Company has re-established its water reduction target, with a target of a further 15% reduction in per capita water use by 2025 (base year: 74,111 degrees in 2017).</p> <p>(3) As the Company is a service industry, the volume of waste from the daily operation is a little. Therefore, waste management is not a major issue of the Company, but the Company remains committed to waste reduction. The Colleagues will not only have food scrap recycled after the day meal, but also promote the recycling of various resources,</p>	

Evaluation Items	Facts of performance			The discrepancy of such implementation from the Corporate Social Responsibility Best Practice Principles for TSEC/GTSM Listed Companies, and the reason for any such discrepancy
	Yes	No	Description of Abstract	
			<p>for the earth's environmental protection. Waste categories at Sinyi headquarter building are divided into three items: general waste, resource recovery and food scrap, of which general waste disposed by professional cleaning companies to centralized incinerator treatment, food scrap treated by professional recycling company for unified treatment and reuse and other resource recovery including paper, bott bottles, glass bottles and iron cans. In addition, the Company has also mobilized its colleagues to become volunteers, engaged in clean beaches, cleaning up waste of ponds, and encouraged communities to propose waste removal and reduction while beautifying the community through the "One Community One Family" project.</p> <p>(4) In addition to those mentioned above, the Company introduced the first "Ubiteq energy management system" from Japan in 2011, to comprehensively initiate the automatic electricity saving measures of the headquarters building, during lunch break at 12: 30 and at 19: 00 exactly, the system shall automatically turn the lights off. Besides, publicity is also conducted to request administrative personnel to take mass transportation means as much as possible upon coming and leaving offices, and business colleagues to take such measures as walking or taking bicycles to visit Customers or engage in commercial circle development, etc., to reduce carbon emission with due effort. Sinyi volunteers also hold community tree planting activity, to promote the importance of earth protection and energy saving & carbon emission reduction. Since 2013, the Company has promoted summer uniform, to replace suits and ties with short-sleeved POLO shirt, so as to reduce the reliance on air conditioners. Green vegetation area has also been increased in the top floor of the headquarters building. Window film has been provided to the glass windows of the whole building, to reduce direct sunshine and further decrease the power consumption of air conditioners. The Company also participates in an exclusive project of the Ministry of Economic</p>	

Evaluation Items	Facts of performance			The discrepancy of such implementation from the Corporate Social Responsibility Best Practice Principles for TSEC/GTSM Listed Companies, and the reason for any such discrepancy
	Yes	No	Description of Abstract	
			Affairs, by introducing in life cycle evaluation technology, to upgrade the comprehensiveness and correctness of greenhouse gas examination, so as to formulate a perfect carbon emission reduction plan.	

III. Social Issues

1. Does the Company establish related management policies and procedures in accordance with related laws and international covenants on human right?	V	<p>Since the Company first came into being, we have always adhered to the faithful spirit of "people-oriented", and faithfully complied with the " United Nations Universal Declaration of Human Rights", "The United Nations Global Compact (UNGC)", "United Nations Guiding Principles on Business and Human Rights ", "United Nations International Labor Organization" as well as such human rights standards, to put an end to any violations of human rights. As always, we respect and treat entire Sinyi staff members with dignity through stipulating the "Sinyi Realty human rights commitment", respecting the protection sitforged by the International Bill of Human Rights, and posting on the Company's website. Please: https://res.sinyi.com.tw/file/investors/13.Sinyi Housing Human Rights Commitment.pdf. In addition, we require suppliers and all business partners to conduct business activities in the very prime principle of absolutely no infringement upon fundamental human rights to ensure that they are treated fairly and with dignity.</p> <p>On the grounds of the aforementioned guiding policies, the Company's human rights management policies and specific programs as concretely enumerated below:</p>	Nil				
		<table border="1" style="width: 100%;"> <tr> <th style="width: 50%;">Human right management policies</th> <th style="width: 50%;">Specific programs</th> </tr> <tr> <td>We provide and ensure safe and healthful workplace environment.</td> <td> <ul style="list-style-type: none"> Please take the detailed description of the working environment for industrial relations on page 6-31 and the </td> </tr> </table>		Human right management policies	Specific programs	We provide and ensure safe and healthful workplace environment.	<ul style="list-style-type: none"> Please take the detailed description of the working environment for industrial relations on page 6-31 and the
Human right management policies	Specific programs						
We provide and ensure safe and healthful workplace environment.	<ul style="list-style-type: none"> Please take the detailed description of the working environment for industrial relations on page 6-31 and the 						

Evaluation Items	Facts of performance			The discrepancy of such implementation from the Corporate Social Responsibility Best Practice Principles for TSEC/GTSM Listed Companies, and the reason for any such discrepancy
	Yes	No	Description of Abstract	
			<p>protection measures relating to the safety of employees as reference.</p> <p>Help Sinyi teammates maintain and ensure sound physical and mental health and work-life balance</p> <p>Sinyi launches “three highs” policy, i.e., high-pay, high-development and high-concern.</p>	<ul style="list-style-type: none"> • We launch “EAP Colleague Assistance Program” . • The entire Sinyi staff members are granted 1.5-hour lunch break, an adequate period to restore momentum for a full play in performance. • Sinyi grants full financial subsidy for employees as required for health examination. • Sinyi implements health promotion programs, such as smoking cessation classes / outpatient smoking cessation policies. • Sinyi implements flexible benefit system with “Sinfu Coins” • A newly hired -`Sinyi salesperson is assured for the salary of NT\$50,000 per month for six months. • Sinyi is well known for very sound and unobstructed channels for promotion, without the so-called double-yellow-line against promotion. • Sinyi implements the mentorship system, cultivates and trains newly hired teammates with the “palm-down” concept.

Evaluation Items	Facts of performance			The discrepancy of such implementation from the Corporate Social Responsibility Best Practice Principles for TSEC/GTSM Listed Companies, and the reason for any such discrepancy
	Yes	No	Description of Abstract	
			<p>We recruit newly hired Sinyi teammates exactly according to law, absolutely free of potential discrimination.</p> <ul style="list-style-type: none"> • We ensure that the Sinyi recruitment teams handle the employment process in accordance with relevant laws and regulations, e.g., Labor Standards Act, absolutely without potential discrimination on race, gender, age and other aspects. • We arrange all newly hired employees to attend the workplace equality courses. 	
			<p>Here at Sinyi Group, we absolutely prohibit forced labor and faithfully abide by local government labor laws.</p> <ul style="list-style-type: none"> • We faithfully implement the vacation system and encourage colleagues to focus on work-life balance. 	
			<p>We have executed human rights clauses with suppliers and implemented on-site audit practice.</p> <ul style="list-style-type: none"> • We invite each and every supplier to fill out the corporate social responsibility (CSR) self-assessment form, with an aggregate total of 649 on-site visits in 2019. 	
			<p>In an effort to profoundly cultivate Sinyi teammates' understanding in their rights and interests, help maintain their physical and mental health as well as work balance, and fully implement education and training of newly hired employees, we faithfully carry out advanced study with hours and person times as follows:</p>	

Evaluation Items	Facts of performance			The discrepancy of such implementation from the Corporate Social Responsibility Best Practice Principles for TSEC/GTSM Listed Companies, and the reason for any such discrepancy																																	
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			<table border="1"> <thead> <tr> <th rowspan="2">Issues and related courses</th> <th colspan="3">Newly hired employees oriented training programs</th> <th rowspan="2">Hour</th> </tr> <tr> <th>Total hours</th> <th>Total trainees</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>Personnel salary and fringe benefits</td> <td>81</td> <td>1,811</td> <td>100%</td> <td>1.5</td> </tr> <tr> <td>Awareness of the Business Philosophy of Sinyi</td> <td>37</td> <td>1,577</td> <td>100%</td> <td>1</td> </tr> <tr> <td>Workplace Health Management</td> <td>28</td> <td>1,820</td> <td>100%</td> <td>0.5</td> </tr> </tbody> </table> <p>In an effort to implement thoroughly the concept of promoting colleagues' occupational safety, we have retained guest professors to lecture on motorcycle traffic safety regulations and concepts. The relevant training hours and attendance facts are as enumerated below:</p> <table border="1"> <thead> <tr> <th rowspan="2">Topic</th> <th rowspan="2">Hours per session</th> <th>New hires</th> <th>Existing employees</th> </tr> <tr> <th>No. of people</th> <th>No. of people</th> </tr> </thead> <tbody> <tr> <td>Occupational safety and health management</td> <td>1</td> <td>134</td> <td>5,276</td> </tr> </tbody> </table>	Issues and related courses	Newly hired employees oriented training programs			Hour	Total hours	Total trainees	Percentage	Personnel salary and fringe benefits	81	1,811	100%	1.5	Awareness of the Business Philosophy of Sinyi	37	1,577	100%	1	Workplace Health Management	28	1,820	100%	0.5	Topic	Hours per session	New hires	Existing employees	No. of people	No. of people	Occupational safety and health management	1	134	5,276	
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			The Company strictly abides by the relevant government regulations, implements the labor laws and regulations and protects the rights and interests of colleagues. In addition to the establishment of labour committees in accordance with the law, and the holding of quarterly labour meetings, colleagues can also through the unit or cross-unit communication platform to put forward ideas and advice, to achieve full communication and effective solution to the problem.	
2. Does the Company have reasonable employee benefit measures (including salaries, leave, and other benefits), and do business performance or results reflect on employee salaries?	V		<p>We are a functioning entity with the collective competences, capabilities and wisdom of our colleagues. We offer high salaries, high career prospects, and high impact caring to ensure a workplace with competitive remunerations, bright outlooks and happiness. We launched our in-house digital currency "SinFu Coin", so that our colleagues can select the benefit offerings that cater to their needs. The Company has also enhanced the welfare package. The optional items such as learning & growth, physical health, family time and holidays are extended so that our colleagues can achieve a balanced development and enjoy the flexibility and leeway to create their own happiness. The Company hopes that this system can enhance the recognition and satisfaction our colleagues so that they can focus more on work and realize the dreams for themselves and for customers.</p> <p>1. Salaries: The end-of-year bonuses are based on 1/3 of the Company's post-tax operating income and distributed to all the employees according their respective tenures and performances. This is to encourage everybody to strive for the Company's goals and targets. According to the Company's Articles of Incorporation, employee remunerations shall not be below 1% of the annual profits. The details of the management's remunerations are provided in page 3-20. The salaries and bonuses to other colleagues are described below:</p> <p>(1) Sales team: We provide new hires a guaranteed monthly salary of NT\$ 50,000 for six months so that they can focus on learning and developing basic skillsets in serving customers. We offer high basic salaries with a low commission rate to permanent salespeople, in</p>	Nil

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			<p>order to avoid any behavior that may jeopardize the interest of our customers in pursuit of high bonuses. In addition to personal bonuses, we also allocate a percentage of team bonuses for the frontline sales team and branch stores, to encourage collaboration among our salespeople. To incentivize our sales personnel for personal development and long tenures with the Company, we also distribute retention bonuses to colleagues with good performance. This retention bonus is payable after they have attained a performance threshold at the end of the year and continue to serve in our Company for another three years.</p> <p>(2) Support staff: The salaries of support staff are determined according to job functions, responsibilities, expertise and the consumer price index. The Company participates in annual salary surveys in the industry and refers to market rates and our overall profits and employee performances in offering promotions and raises pursuant to the Operational Guidelines for Annual Salary Adjustments and Promotions of Support Staff. In 2019, the average salary raise was about 3% for support personnel.</p> <p>2. Holidays and other benefits: The Company's leave and holiday system is designed in accordance with the Labor Standard Act. In addition to the abovementioned "SinFu Coin", we also encourage our colleagues to get married and have kids. We hand out a subsidy of NT\$120,000 for any colleague who is having his/her second child. Employees with good performances may also be nominated for the overseas reward trips paid by the Company. Finally, we provide discounts in service charges if our colleagues want to purchase any of our property listings. Please refer to page 6-24 "Employee Relationship" for details of employee benefits.</p>	
3. Does the Company provide employees with a safe and healthy working	V		The Company, besides the legally required labor health insurance, also purchases group insurance for employees. In addition, it provides a free health examination once every two years; for the formal colleagues above (including) 40 years old, a health examination once every year would be	Nil

Evaluation Items	Facts of performance			The discrepancy of such implementation from the Corporate Social Responsibility Best Practice Principles for TSEC/GTSM Listed Companies, and the reason for any such discrepancy
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environment, and implement safety and health education to employees on a periodical basis?			<p>provided. The Company also encourages colleagues to found various association activities and provides budget subsidy; meanwhile, "EAP Employee Assistance Project" is also promoted continuously.</p> <p>What is more, the Company also periodically holds personal and accident calamity safety lectures, to build a safe worksite environment. We provide safety working environment and necessary equipment to build up a friendly work place, and please see our major policy:</p> <ol style="list-style-type: none"> 1. Executive the projects of "the health of Sinyi" and four prevention plan in 2019, the related lectures and activities are disposed at the page of 6-24. 2. Optimization of the system of work and day off , and balance of work and life, such as : <ol style="list-style-type: none"> (1) Observe and analysis the working hour and reduce the risk of overwork. (2) Implement the day off institution of the three traditional holidays from 2016. (3) Launch the picnic party for volunteer family and make every employee as a team player through such team building activitives. 3. Personal safety, security for equipment & facilities: <ol style="list-style-type: none"> (1) Formed the committee of security, health and welfare. (2) All female brokers and branch secretaries are provided with carry-on alarm. Besides, each branch is established with 24-hour security monitoring system. (3) Anti-fire seminars sponsored on a half-year regular basis. (4) The Sinyi Conglomerate Headquarters is equipped with Automated External Defibrillator (AED) while the newly coming branch heads and branch secretaries are trained how to adopt the AED and CPR on a year regular basis. 	

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			<p>(5) Training for workplace health and safety at work for new recruits.</p> <p>(6) Fully installed store stairs for the stop-slip.</p> <p>4. Efforts to set up green workplaces:</p> <p>(1) Set up communicating APP for internal and issue news about career and health monthly to colleagues' notice.</p> <p>(2) Set up a personalized "Health Management Center" on the Company's internal website to provide an annual health check record for colleagues to record health data and other information at any time.</p> <p>(3) Continually enhance wholesome workplace environments, e.g., poison-free decoration, disinfection on a quarterly regular basis.</p> <p>(4) Obtain the related verification:</p> <p>A. "Certificate of Voluntary Health Promotion for a Health Workplace " granted by Health Promotion Administration, Ministry of Health and welfare, Executive Yuan, R.O.C., (certification period: 01/2019-12/2021).</p> <p>B. Period Extension of Breastfeeding Room Certificate awarded by Department of Health, Taipei City Government (certification period: 09/2017-08/2030).</p> <p>C. Sports Enterprise Certificate awarded by Sports Administration, Ministry of Education for holding various ball games and sports</p> <p>D. The outstanding unit of Green Procurement Plan granted by Department of Environment Protection, Taipei City Government on November, 2019.</p>	
4. Does the Company establish effective career competency development and training plans for employees?	V		The Company provides a 360 cultivation system to plan comprehensive competency training to supervisors of various levels and employees. The training lessons include newcomer training, professional advanced training, branch supervisor training, district supervisor training, etc., to assist colleagues continuously grow by continuous and multiple learning. We also introduce the related training programs concerning belief development of corporate ethics, to cultivate key competence of employees. Besides	Nil

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			<p>physical programs, "e-Learning" platform is also provided to facilitate employees to be able to engage in online learning at all times and places, to upgrade their related professional competency. In addition to this, in order to comply with organization development, upgrade the related competency required in employee functions, for an external advanced study program of an employee if conforming to fixed conditions, subsidy of half amount of the tuition can also be applied.</p> <p>In order to assist students to be fully prepared before graduation and to expand opportunities for talented people, the Company signed a mMemorandum of Understanding (MOU) of industry-academia cooperation/collaboration project with a number of key schools to integrate and share resources and establish a professional education platform of benchmark enterprises which plays the function of knowledge acquisition, creation and circulation. In addition to holding the sales staff classes which is included in the MOU, the Company will cooperate with those sales staff training institutions certified by the schools and the Ministry of the Interior to help the students understand the industry practice through combining the professional training courses for acquiring the qualification of assistant brokers and professional practice simulation experience. Through the "full-time internship program", interns can learn and experience from attitude, philosophy to practical aspects and then understand the sales process of the real estate brokerage industry, and handle customer service assignments, which provide internship work experience plan better than those provided by the government and the general companies. In addition , there are: (1) industry-academic cooperation projects, (2) campus event sponsorship, (3) new graduates note, (4) campus talent fair, (5) campus leaders tea party and other plans, so that students can be in touch with the enterprise in advance and the Company can root in talent cultivation.</p>	
5. Does the Company comply with relevant regulations and	V		1. The Company strictly abides by the relevant government regulations, stipulates related marketing advertising regulations, and prepares "advertising review standard manual" for personnel to follow. Some	Nil

Evaluation Items	Facts of performance			The discrepancy of such implementation from the Corporate Social Responsibility Best Practice Principles for TSEC/GTSM Listed Companies, and the reason for any such discrepancy
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international standards in customer health and safety, customer privacy, and marketing and labeling its goods and services, and has it established consumer rights protection policies and complaint procedures?			<p>marketing documents needs to be reviewed by the Company's Department of Customer Service before marketing. The Company requires its salespersons to be honest with customers without any hypocrisy to conceal. If any violation of the related regulations occurs, the salespersons shall be punished and the violation shall be announced on the Company's website, so that other colleagues shall be vigilant.</p> <p>2. The Company and its subsidiaries mainly provide real estate brokerage services which have no direct relationship the health and safety of customers. However, before introducing the houses to the customers, a house survey should be conducted to determine whether the risk of structural safety exists. Besides, the Company uses the database or has its staff to check whether there is a risk of excessive chlorine ions or radiation, or any die of unnatural causes in the building or its neighborhood, any not-in-my-backyard facilities in the neighborhood and fully discloses the information in the instruction of real estate which the salespersons should be required to explain in detail to protect the interest of the customers and the living quality after moving in. The record of the instruction of real estate shall conform to the "provisions of what should be described in the instruction and what should not" stipulated by the Ministry of the Interior. In addition, when pre-selling presale houses, the salespersons are also required to follow the "provisions of what should be described in the standard form contract of presale houses transaction and what should not" stipulated by the Ministry of the Interior and there must be no advertising falsehoods. Some subsidiaries in the real estate development industry shall keep the quality of materials and construction, and are strictly prohibited to cut corners. When conducting the architectural design, we also need to consider ventilation to create a good living environment for the customers.</p> <p>3. Affected by the COVID-19 epidemic, the Company and its subsidiaries' employees are all required to some anti-epidemic working such as wearing masks, taking temperature, doing disinfection when providing</p>	

Evaluation Items	Facts of performance			The discrepancy of such implementation from the Corporate Social Responsibility Best Practice Principles for TSEC/GTSM Listed Companies, and the reason for any such discrepancy
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			<p>service or selling real estate, as well as providing customers with masks to protect the health of customers.</p> <p>4. In order to understand the customer's feelings about the services and make improvement immediately for refining the service provided in the future, the Company set up a customer service center with a hotline to listen to customer opinions in 1989. The Company also set up a toll-free 0800 customer opinion line and set up a network service platform to offer various ways for customers to provide their opinions, to take customers' advice and help customers to solve their problems and meet their needs. The Company has formulated the "Regulations on Sinyi Realty Quality Of Service Survey and Dissatisfaction Case Handling" and "Regulations on Customer Information Management", which institutionalize various types of investigation methods, customer information collection channels and customer case handling procedures at all levels, understand and handle customer opinions, in order to improve the overall quality of service of the Company and achieve the goal of customer satisfaction.</p> <p>5. Because of the emphasis of service quality by creating the maximum value to make consumers feel good, the Company was awarded 3 years in a row by Global Views Monthly for the five-star service award champion as to real estate brokerage industry.</p>	
6. Does the Company have a supplier management policy, requiring suppliers to comply with regulations on environmental protection, occupational safety and health, and labor rights, and what is its	V		<p>The Company upholds its concept of high-quality management, and hopes to deepen the supply chain management of "relationship with corporate ethics" to exert positive influence on suppliers with the power of procurement. In addition to the basic spirit of the previous introduction of ISO9001 supplier assessment, as well as the addition of "supplier sustainability clause", "ethics guidelines for procurement work" and the new CSR self-assessment form and visit feedback sheet, the Company further more updated the human rights provisions for the sustainability of the provisions in 2018 which added the aspects of environment, society and governance, combining the supplier social assessment of the relevant guidelines with procurement to continuously refine the sustainable supply chain management, and continue to deepen the</p>	Nil

Evaluation Items	Facts of performance			The discrepancy of such implementation from the Corporate Social Responsibility Best Practice Principles for TSEC/GTSM Listed Companies, and the reason for any such discrepancy									
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implementation status?			key supplier on-site inspection. All of the Company's suppliers have introduced the sustainable clause and fully signed the ethical guidelines for procurement work in 2019. 219 of the 244 key suppliers, i.e. 89.75% of completion rate, have been implemented inspection management mechanisms.										
V. Does the company reference internationally accepted reporting standards or guidelines, and prepare reports that disclose non-financial information of the company, such as corporate social responsibility reports? Do the reports above obtain assurance from a third party verification unit?	V		<p>The "2017 Sinyi Realty Inc. Report on Sustainable Development" published by the Company in 2018 was consigned to BSI Taiwan branch to engage in verification, and a statement of independent guaranty comments was obtained. The certification result conforms to GRI (All standard items). This report has also submitted GRI content indexing services, major issues disclosure services, and the United Nations sustainable development target associated services, meeting the standard of AA1000 AS: 2008, Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies, The UN Global Compact), ISO26000 Social Responsibility Guidelines. The detailed management of the report is as follows:</p> <table border="1"> <tbody> <tr> <td rowspan="3">Internal Confirm</td> <td><input checked="" type="checkbox"/> STM / Heads of departments reviews the contents of each chapter and the correctness of information</td> </tr> <tr> <td><input checked="" type="checkbox"/> BOD reviews of ESG Performance and Strategic Objectives</td> </tr> <tr> <td><input checked="" type="checkbox"/> Audit Supervisor Audit Information Correctness</td> </tr> <tr> <td rowspan="4">External Confirm</td> <td><input checked="" type="checkbox"/> Financial Data - Deloitte(TW)</td> </tr> <tr> <td><input checked="" type="checkbox"/> Environmental data -ISO 14064 - 1 - BSI Taiwan / PAS 2050 - BSI Taiwan /PAS 2060 - BSI Taiwan ISO 14046 - BSI Taiwan/ISO 14001 - BSI Taiwan (2018~2021)</td> </tr> <tr> <td><input checked="" type="checkbox"/> Sustainable data - AA 1000 AS (2008) - BSI Taiwan Type 1</td> </tr> <tr> <td><input checked="" type="checkbox"/>Data quality - GRI Content Indexing Service, Major</td> </tr> </tbody> </table>	Internal Confirm	<input checked="" type="checkbox"/> STM / Heads of departments reviews the contents of each chapter and the correctness of information	<input checked="" type="checkbox"/> BOD reviews of ESG Performance and Strategic Objectives	<input checked="" type="checkbox"/> Audit Supervisor Audit Information Correctness	External Confirm	<input checked="" type="checkbox"/> Financial Data - Deloitte(TW)	<input checked="" type="checkbox"/> Environmental data -ISO 14064 - 1 - BSI Taiwan / PAS 2050 - BSI Taiwan /PAS 2060 - BSI Taiwan ISO 14046 - BSI Taiwan/ISO 14001 - BSI Taiwan (2018~2021)	<input checked="" type="checkbox"/> Sustainable data - AA 1000 AS (2008) - BSI Taiwan Type 1	<input checked="" type="checkbox"/> Data quality - GRI Content Indexing Service, Major	Nil
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Evaluation Items	Facts of performance			The discrepancy of such implementation from the Corporate Social Responsibility Best Practice Principles for TSEC/GTSM Listed Companies, and the reason for any such discrepancy
	Yes	No	Description of Abstract	
			<div style="border: 1px solid black; padding: 5px;"> Issues Exposing Services, and UN Sustainable Development Goals <input checked="" type="checkbox"/> Related services </div>	

VI. In case a company establishes its own Corporate Social Responsibility Best Practice Principles in accordance with “Corporate Social Responsibility Best Practice Principles for TSEC/GTSM Listed Companies”, please describe its operation and the deviation from the established Best Practice Principles:

The Company, in order to fulfill its corporate social responsibility and promote the balance and sustainable development of economic, social and environmental ecology, had its “Corporate Social Responsibility Best Practice Principles for Sinyi Realty Inc.”(the “Principles”) approved in the Board of Directors in December of 2010 and reported at 2017 annual general shareholders’ meeting for revision. The Company’ board of directors has approved to revise the Principles in January, 2020 and will be reported on the 2020 shareholders meeting to strengthen the actualization of corporate social responsibility, and incorporate it into the corporate management and operation. The Company also reviews the execution status of the said Principles on a periodical basis and makes improvement accordingly, and there has been no deviation status since its execution till present.

VII. Other important information facilitating to understand the operation status of corporate social responsibility:

The Company and its affiliate companies have followed the operation concepts of “good faith” and “ethics” all the way, to internalize “active actualization of corporate social responsibility” to be our root values, maintained harmonious collaboration with various stakeholders, and been highly confirmed by various fields during these years with honor.

The subsidiaries of the Company also have practical actions in CSR and won below awards in 2019 year:

The Company won “Taiwan's Best CSR Excellence Award”, “the Best Environmental Excellence Award”, “the Empowering Women Award”, “the Best Workplace Practice Award”, “the Service Excellence Award” and “the Corporate Social Responsibility Leadership Award” of the 11th Global CSR Summit and Awards. The Company also was awarded Asia Sustainability Reporting Award, ASRA from CSR Works International Pte. Ltd. and awarded for the 13th time by 《Commonwealth Magazine》 “The Grand Award as the Commonwealth Model Citizen, and was ranked among the Top 5% of the listed companies in the fifth Corporate Governance Appraisal by the Taiwan Stock Exchange Corporation (TWSE) for five consecutive years.

The awards listed above all shows that the Company and its affiliate companies have for a long term with basis on the core concept of “applying whatever acquired from a community to the community” promoted its corporate social responsibility as its own responsibility and are recognized by the community. In the future, the Company and its affiliate companies would continuously provide touching service, transfer the core value of corporate social responsibility, march toward the goal of sustainable operation, and endeavor to become a globalized local enterprise with comprehensive development.

Other more related information can be referred to in Chapter 2, Honorable Record of Corporate Governance and the corporate social responsibility website

Evaluation Items	Facts of performance			The discrepancy of such implementation from the Corporate Social Responsibility Best Practice Principles for TSEC/GTSM Listed Companies, and the reason for any such discrepancy
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of the Company (http://csr.Sinyi.com.tw/).				

(IV) Implementation of ethical corporate management and deviations from the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies" and reasons:

Evaluation Items	Facts of performance			The discrepancy of such implementation from Ethical Corporate Management Best Practice Principles for TSEC/GTSM Listed Companies, and the reason for any such discrepancy
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I. Establish Operation Policy and Scheme of Good Faith

(I) Does the Company establish operation policy of good faith which is approved by the BOD and expressly specify policy, practice of operation in good faith in its corporate statutes and bylaws and external documents, and do the Board of Directors and executive management level actively actualize the promise of operation policy?	V		The Company in order to further solidify the corporate culture of operation in good faith and its development establishes "Ethical Corporate Management Best Practice Principles of Sinyi Realty Inc.", to serve as the basis of actualizing operation in good faith. Besides, related internal operation specifications and internal control systems are formulated, to engage in periodical review/audit for various operations and submit a report to the Board of Directors, for the Board of Directors to provide recommendations for such defects and perform improvement follow-ups.	Nil
(II) Does the Company establish a risk assessment mechanism against unethical conduct, analyze and assess on a regular basis business activities within their business scope which are at a higher risk of being	V		The Company establishes such internal operation rules and incentive/punishment systems, etc. as business specifications of various stores, to prevent the occurrence of behaviors not in good faith of colleagues, and formulates effective accounting system and internal control system, to perform periodical audit of the actualization status, and report the results to the Board of Directors. The Company's Corporate Ethics Office shall understand whether colleagues have dishonest conducts, Human Resources Department shall	Nil

Evaluation Items	Facts of performance			The discrepancy of such implementation from Ethical Corporate Management Best Practice Principles for TSEC/GTSM Listed Companies, and the reason for any such discrepancy												
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involved in unethical conduct, and establish prevention programs to prevent at least set forth in various items of Section 2, Article 7 of "Ethical Corporate Management Best Practice Principles for TSEC/GTSM Listed Companies"?			<p>summarize inappropriate behavior. In addition to punishment and announcement on the internal website, the Company shall make it a case to strengthen advocacy.</p> <p>The prevention programs toward items of Section 2, Article 7 of "Ethical Corporate Management Best Practice Principles for TSEC/GTSM Listed Companies" were as below:</p> <table border="1"> <thead> <tr> <th>Dishonest behavior</th> <th>Prevention programs or regulations</th> </tr> </thead> <tbody> <tr> <td>Offering and acceptance of bribes</td> <td>There is a Code of Conduct for Sinyi Enterprise Group, which requires each colleague to sign a consent letter biannually that includes forbid the colleagues to accept improper gifts from customers or suppliers.</td> </tr> <tr> <td>Illegal political donations</td> <td>In accordance with the Company's "Request Regulation", any donation is subject to the approval of the Chairperson.</td> </tr> <tr> <td>Improper charitable donations or sponsorship</td> <td>The same as above.</td> </tr> <tr> <td>Offering or acceptance of unreasonable presents or hospitality, or other improper benefits</td> <td>There is a Code of Conduct for Sinyi Enterprise Group, which requires each colleague to sign a consent letter biannually, as well as the "Ethical Guidelines for The Procurement Work", which prohibits the left-list and requires supervisors to be held accountable.</td> </tr> <tr> <td>Misappropriation of</td> <td>According to "Direction for Internal data</td> </tr> </tbody> </table>	Dishonest behavior	Prevention programs or regulations	Offering and acceptance of bribes	There is a Code of Conduct for Sinyi Enterprise Group, which requires each colleague to sign a consent letter biannually that includes forbid the colleagues to accept improper gifts from customers or suppliers.	Illegal political donations	In accordance with the Company's "Request Regulation", any donation is subject to the approval of the Chairperson.	Improper charitable donations or sponsorship	The same as above.	Offering or acceptance of unreasonable presents or hospitality, or other improper benefits	There is a Code of Conduct for Sinyi Enterprise Group, which requires each colleague to sign a consent letter biannually, as well as the "Ethical Guidelines for The Procurement Work", which prohibits the left-list and requires supervisors to be held accountable.	Misappropriation of	According to "Direction for Internal data	
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(III) Does the Company specify a scheme of preventing behaviors not in good faith, and expressly describe in	V		The Company establishes “Behavioral Rules of Sinyi Conglomerate” which, besides being placed in the internal network for check of colleagues at all times, is also provided with automatic computer reminder function, to remind colleagues of knowing and signing such Code periodically, to facilitate	Nil						

Evaluation Items	Facts of performance			The discrepancy of such implementation from Ethical Corporate Management Best Practice Principles for TSEC/GTSM Listed Companies, and the reason for any such discrepancy
	Yes	No	Description of Summary	
each scheme the operation procedures, behavior guidelines, punishment of offense, and complaint system, actualize the execution of them, periodically review and revise the programs above?			colleagues to have a more clear direction while facing such aspects as Customers, colleagues, suppliers, the state, community, and global environment, etc., and avoid any interest conflict and acquisition of improper interest. It is also incorporated into the periodical assessment of employee performance audit system, and advocates for some violations as a case in 2019 to ensure the actualization of the corporate operation in good faith. If any colleague finds the dishonest behavior from the Company, the Company's subsidiaries or other colleagues, he or she may appeal through appeal channels such as chairperson mail box and the specially-assigned person will conduct the investigation. Once colleagues find any dishonest behavior of the Company or other colleagues, they may reflect the information through complaint system such as the Company's mailboxes of the Funder or the Corporate Ethics Office (EnterpriseEthics@Sinyi.com.tw), or the contact with the audit office. The complaints will be dealt with by exclusive staff. The Corporate Ethics Office shall report to the board of directors annually after the statistics of the type of dishonest conduct, analyze the possible causes of its occurrence, instruct the relevant supervisors to promote and improve, and adjust the implementation practices.	
II. Actualize Operation in Good Faith				
(I) Does the Company evaluates the record of good faith of the transaction parties, and expressly specifies clauses dealing with behaviors of good faith in the signed contracts of the transaction parties?	V		The Company establishes "Rules Governing Group Purchase", provides a sector with exclusive responsibility to be in charge of purchase price inquiries, price parity, price negotiation, authorization, bidding, acceptance inspection, payment request, and supplier management. Besides, assessments are conducted from time to time jointly with the purchase request sector in terms of supplier service quality, delivery schedule and price, and a database of qualified suppliers shall be built in accordance with the assessment results, to avoid transactions with the suppliers with record of behaviors not in good faith.	Nil
(II) Does the Company establish a	V		The Company establishes "Corporate Ethics Office" which is responsible for the	Nil

Evaluation Items	Facts of performance			The discrepancy of such implementation from Ethical Corporate Management Best Practice Principles for TSEC/GTSM Listed Companies, and the reason for any such discrepancy
	Yes	No	Description of Summary	
dedicated unit under the board of directors to promote ethical corporate management, and periodically (at least once a year) report to the Board of Directors and supervise the implementation of the ethical corporate management policy and unethical conduct revention plan?			promotion of ethical corporate management. The Corporate Ethics Officer ensures the actualization of operation principles of good faith in accordance with the work functions and scope of supervising related matters of each sector and promotes to all colleagues the operation concepts of justice ahead of profit, human oriented and positive thinking and actively constructs and develops a methodology which can absorb its operation concepts to make all colleagues easy to understand and carry them out in daily life. In addition, the Company conducts several monthly topic discussions and actions such as change management and value-created services and by means of analyzing and sharing at each meeting at all levels to make colleagues be honest internalization and implementation in the daily operation. In December, 2019, the Corporate Ethics Office reported the plan and performance of promoting ethical corporate management at the BOD.	
(III) Does the Company stipulate a policy of preventing interest conflict, provide due statement channels, and actualize the execution?	V		The Company expressly specifies rules governing hospitality with good faith and avoiding any interest conflict in "Behavioral Rules of Sinyi Conglomerate" and "Business Specification of Each Store", and also specifies related guidelines concerning the acceptance of gifts. In case of any offense of a colleague, after the supervisor engages in guidance and communication, punishments shall be submitted in accordance with rules. In case a colleague has any doubt about interest conflict, he/she may besides be reporting to his/her direct supervisor also directly reflect it to the Corporate Ethics Office, Board Chairperson or Audit Committee as well. Those who have questions about the identification of appropriate behavior may state and consult with Corporate Ethics Office.	Nil
(IV) Does the company have effective accounting system and internal control systems set up to facilitate ethical corporate management, does	V		The Company in order to actualize operation in good faith already establishes effective accounting system and internal control system, including the collection of service cost to go through an exclusive account of contract performance guaranty; upon the payment request filed by a supplier, it is required to be approved through the responsible supervisors in accordance with the payment	Nil

Evaluation Items	Facts of performance			The discrepancy of such implementation from Ethical Corporate Management Best Practice Principles for TSEC/GTSM Listed Companies, and the reason for any such discrepancy												
	Yes	No	Description of Summary													
the internal auditing unit formulate audit plans based on unethical conduct risk assessment results, and does it audit compliance with the unethical conduct prevention plan or commission a CPA to perform the audit?			request authorization list; as the entertainment expense of each sector is also expressly specified to be approved by the President (while the entertainment expense of the President shall be approved by the Board Chairperson). Audit personnel shall also perform periodical audit in accordance with the regulations of various systems and relate the audit results to the responsible supervisors of the related sectors and gather the comprehensive result to the Audit Committee and the Board of Director on a periodical basis. Concerning any colleague with offense of the rules, he/she and his/her supervisor shall report the follow-up improvement status as well. For the unfaithful behavior that may occur by colleagues, the relevant measures and internal control procedures shall be strengthened by the authority and responsibility units, and the audit unit shall check whether it is followed, as part of the internal control check.													
(V) Does the Company hold internal, external educational training for operation in good faith on a periodical basis?	V		<p>The Company also formally established the “Chief of Ethics” in January 2012 and organized Corporate Ethics Office, to further promote actualization of corporate good faith and ethics. In addition, supervisors are required to participate in corporate ethics program on a periodical basis, to internalize the corporate ethics from upside down as a part of routine operation. Besides, the funder of the Company also describes such operation concepts of the Company as good faith and justice ahead of profit, etc. to all colleagues by means of the monthly assembly every month. The film of the monthly assembly is also displayed in the internal website of the Company, to serve for colleagues in watching and mutual sharing.</p> <p>Please see below the information for the further details.</p> <table border="1"> <thead> <tr> <th>Lessons</th> <th>Time</th> <th>Target Students</th> <th>Organizer</th> </tr> </thead> <tbody> <tr> <td>China Sinyi Academy</td> <td>2 hours per month</td> <td>Middle management and above in China</td> <td>Corporate Ethics Office</td> </tr> <tr> <td>Regional workshops</td> <td>3 hours per month</td> <td>Regional executives in Taiwan</td> <td>Corporate Ethics Office</td> </tr> </tbody> </table>	Lessons	Time	Target Students	Organizer	China Sinyi Academy	2 hours per month	Middle management and above in China	Corporate Ethics Office	Regional workshops	3 hours per month	Regional executives in Taiwan	Corporate Ethics Office	Nil
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			<table border="1"> <tr> <td>Boot Camp for Sinyi's business philosophy</td> <td>3 sessions per month, 1 hour per session</td> <td>All new hires</td> <td>Human Resources Department</td> </tr> <tr> <td>Sinyi's management style</td> <td>1 session per quarter, 3 hours per session</td> <td>Directors and senior associates applying for branch managerial roles</td> <td>Human Resources Department</td> </tr> <tr> <td>Excellence lecture -Find the value you believe in</td> <td>Tainan, Kaohsiung region, 2 hours per session</td> <td>All salesmen</td> <td>Human Resources Department</td> </tr> <tr> <td>Advocate of illegal acts in workplace</td> <td>1 session per quarter, 1 hours per session</td> <td>Advanced lesson of branch secretaries.</td> <td>Human Resources Department</td> </tr> </table>	Boot Camp for Sinyi's business philosophy	3 sessions per month, 1 hour per session	All new hires	Human Resources Department	Sinyi's management style	1 session per quarter, 3 hours per session	Directors and senior associates applying for branch managerial roles	Human Resources Department	Excellence lecture -Find the value you believe in	Tainan, Kaohsiung region, 2 hours per session	All salesmen	Human Resources Department	Advocate of illegal acts in workplace	1 session per quarter, 1 hours per session	Advanced lesson of branch secretaries.	Human Resources Department	
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III. Operation of whistleblowing system																				
(I) Does the Company establish substantial offense reporting and incentive systems, and establish convenient offense reporting channels, and assign proper exclusively responsible personnel to accept the reported subject of an offense?	V		<p>The Company has established regulations on whistle-blowing of illegal and unethical or dishonest conduct "and the Company's Corporate Ethics Office, internal audit unit and legal service unit in customer's service department are dedicated as the receiving units of whistle-blowing of illegal and unethical or dishonest conduct. A Customer may express comments by means of the exclusive complaint line or exclusive service line, 24-hour online customer service, and in the manner of E-mail, to be conducted by exclusive personnel. The Company also provides an Audit Committee appeal and recommendations mailbox (auditcommittee@Sinyi.com.tw) and stakeholders' mailbox (csr@Sinyi.com.tw) in the Company's website. Colleagues may also express comments or file an offense report about inadequate behaviors of other colleagues through the internal Board Chairperson's mailbox and Auditor Office's mailbox. In addition, rules governing colleague behaviors and incentive/punishment are also expressly formulated. The punishment cases are also announced in the internal website of the Company to serve as warnings for colleagues. According to "Regulations on whistle-blowing of illegal and unethical or dishonest conduct ", if the report was proved to be true after</p>	Nil																

Evaluation Items	Facts of performance			The discrepancy of such implementation from Ethical Corporate Management Best Practice Principles for TSEC/GTSM Listed Companies, and the reason for any such discrepancy
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			investigation, the receiving unit should raise an application of reward to the Company for the whistle blower after considering the contributions of the report to the Company and its economic benefit. Related regulations on the website: http://www.Sinyi.com.tw/info/i_1_6_rule.php	
(II) Does the Company specify the investigation standard operation procedures of accepting offense reporting matters, follow-up measures to be taken after the completion of the investigation and a related confidentiality mechanism?	V		The Company establishes "Regulations on whistle-blowing of illegal and unethical or dishonest conduct", clearly expressing the standard operating procedures of receiving offense report and shall assign exclusive personnel to be in charge for each complaint or offense report, through difference procedures in response to the nature of a case. It would be assigned to the related departments for action or an evaluation committee meeting would be convened, and a response is requested to be replied to the complaint filing party or offense reporting party within a specified period. After completing the necessary investigation procedures, the dedicated unit handling the whistle-blowing system should issue an investigation report according to the finding and facts to Company chairman. When any tip which shows a director or senior manager is involved arises or material misconduct or likelihood of material impairment to the Company comes to their awareness upon investigation, the dedicated unit handling the whistle-blowing system shall immediately prepare a report and notify the independent directors in written form. During the disposition process, the information of both a complaint filing party and offense reporting party shall be kept confidential; it is limited to be accessed only by the exclusive handling personnel. After the completion of the whistleblowing procedure, the relevant reporting materials shall be filed in secret documents for reference and kept for 5 years.	Nil
(III) Does the Company take measures to protect an offense reporting party from suffering improper	V		Since the information of a complaint filing party and offense reporting party for a complaint or offense report shall be strictly kept confidential, in case complaint filing party and offense reporting party is a company colleague, upon filing a complaint or report, he/she may choose to be kept confidential or	Nil

Evaluation Items	Facts of performance			The discrepancy of such implementation from Ethical Corporate Management Best Practice Principles for TSEC/GTSM Listed Companies, and the reason for any such discrepancy
	Yes	No	Description of Summary	
disposition due to an offense report?			open out of free will. After it is accepted by exclusive personnel on a project basis and through related procedures and disposition, due management and follow-up shall be filed, to ensure such a party to be free from suffering any improper disposition.	
IV. Strengthen Information Disclosure Does the Company disclose the content of operation principles of good faith and promotion performance in its website and Market Observation Post Site?	V		“Ethical Corporate Management Best Practice Principles of Sinyi Realty Inc.” has been disclosed in the Company website and Market Observation Post Site. Concerning the related clauses of the operation principles of good faith of the Company, please refer to the “Corporate Governance” section of the investor relationship website of the Company. (http://www.Sinyi.com.tw/info/i_1_6_rule.php) and (http://www.Sinyi.com.tw/info/i_1_7_honest.php)	Nil
V. In case the Company in accordance with “Ethical Corporate Management Best Practice Principles for TSEC/GTSM Listed Companies” establishes its own Ethical Corporate Management Best Practice Principles, please describe its operation and the deviation from the established Best Practice Principles: In order to solidify the corporate culture of operation in good faith of the Company and its organization development, and construct commendable commercial operation architecture, the Company had its “Ethical Corporate Management Best Practice Principles of Sinyi Realty Inc.”, which had been approved in the Board of Directors in December of 2010, reported at 2015 annual general shareholders’ meeting for revision, and incorporated it into the corporate management and operation. The Company also reviews the execution status of the said Principles on a periodical basis and makes improvement accordingly, and there has been no material deviation status since its execution till present.				
VI. Other important information facilitating to understand the operation status of corporate operation in good faith: (such as the Company in reviewing and correcting its established operation principles in good faith, etc.)				
(I) The Company established Sinyi School in April 2011 and opened to general public to participate in learning. The content of programs includes such series of lectures of corporate ethics, to convey the importance of corporate social responsibility and operation in good faith.				
(II) The Company was honored to be granted an award of an enterprise with operation in good faith in the “Collection of Economic Stories of Taiwan Enterprises with Operation in Good Faith” held by the Industrial Development Bureau, Ministry of Economic Affairs (MOEA) for the first time in 2011, and was the only enterprise being invited to engage in a subject speech to share its operation experience in good faith among the enterprises with awards.				
(III) Other more related information can be referred to Chapter 4: Performance in Fulfillment of Corporate Responsibilities toward the Society and the				

Evaluation Items	Facts of performance			The discrepancy of such implementation from Ethical Corporate Management Best Practice Principles for TSEC/GTSM Listed Companies, and the reason for any such discrepancy
	Yes	No	Description of Summary	
Company's website of "Corporate Social Responsibility".				

(V) In case the corporate social responsibility report of this company is approved through verification standards of related certification authorizes, it is required to be described:

The information of the related rules of the Company is already announced under the "Corporate Governance" section of the Company website (<http://www.Sinyi.com.tw/info/company.php>), to serve for inquiry of the public, investors and shareholders.

(VI) Other important information sufficient to improve the understanding of the corporate governance operation status:

1. The Company for a long term has continuously bettered the corporate governance practice. Following the corporate governance evaluation and recognition in "CG6003" through Taiwan Corporate Governance Association in 2008, in the years of 2009, 2010, 2011 and 2014, it also has successively been approved in the corporate governance evaluation and recognition of such advanced versions as "CG6004", "CG6005", "CG6006" and "CG6008" respectively, as the only TSEC/GTSM listed company recognized by Taiwan Corporate Governance Association for five times. In 2011 and 2012 (the 8th session and 9th session), it was also assessed by Securities and Futures Institute in the information disclosure evaluation as A+ class and a rather transparent TSEC/GTSM listed company of voluntary disclosed information. From 2013 to 2015, it was further assessed as A++ class in information disclosure evaluation of the TSEC/GTSM listed companies. Furthermore, the Company was continuously ranked 5 years in a row by TWSE as the top 5% of the listed appraisees in the Corporate Governance evaluation held by TWSE in 2015 and 2019. The Company will continuously actualize the related corporate governance specifications with more strict standards, to protect the welfare of investors and stakeholders.

(VII) Performance in Internal Control System
1. Declaration of Internal Control System

Sinyi Realty Inc.
Declaration of Internal Control System

Date: February 27, 2020

Over the Company's internal control system of Year 2019, based on the results of our self-audit, we'd hereby like to declare enumerated below:

1. Here at the Company, we confirm full awareness that implementation and maintenance of the internal control system are the inherent responsibility of the Company's board of directors and managers. The Company has duly set up such internal control system in an attempt to provide rational assurance of the effect and efficiency of the business operation (including profitability, performance and assurance of the safety of assets), reliability of financial report, accomplishment of the compliance targets.
2. Internal control system is subject to inherent restriction, disregarding how sound it has been designed. Effective internal control system could only provide rational assurance for accomplishment of the three aforementioned targets. Besides, in line with the changes in circumstances and environments, effectiveness of internal control system might change as well. For the Company's internal control system, nevertheless, we have set up sound self-superintendence functionality. As soon as a defect is identified, the Company would take corrective action forthwith.
3. Exactly in accordance with the items of judgment for the effectiveness of the internal control system under "Regulations Governing Establishment of Internal Control Systems by Public Companies" (hereinafter referred to as "Managerial Regulations"), we duly judge whether the internal control system is effective in design and implementation. The items adopted for aforementioned "Managerial Regulations" for judgment of internal control system are the process for management control. The internal control system is composed of five composition elements: 1. Circumstances of control, 2. Risk evaluation, 3. Control operation, 4. Information and construction, and 5. Superintendence. Each and every composing element includes a certain item. For more details regarding the aforementioned items, please refer to contents of the "Criteria".
4. Here at the Company, we have adopted the aforementioned items of judgment over internal control system to verify the effectiveness of the design and implementation of the internal control system.
5. On the grounds of the results of verification in the preceding paragraph, we are confident that the Company's internal control system in design and implementation as of December 31, 2019 (including the superintendence and management over subsidiaries), including the awareness of the results and efficiency of business operation in accomplishment of the targets, reliability of financial reports and compliance of the relevant laws and regulations are effective and would reasonably assure accomplishment of the aforementioned targets.
6. The Declaration will function as the key element of the Company's Annual Report and Prospectus and will be made public externally. In the event that the aforementioned made public involve misrepresentation, concealment or such unlawful practice, the Company shall get involved in the legal responsibilities under Articles 20, 32, 171 and 174 of the Securities and Exchange Act.
7. This Declaration has been approved by the Company's board of directors on February 27, 2020. Seven (7) directors were in attendance, none kept objecting opinions, and all directors in attendance hereby state their agreement to the contents of this declaration.

Sinyi Realty Inc.

Chairperson: Hsueh Chien-Ping

General Manager: Liu Yuan-Chih

2. Where a Certified Public Accountant has been delegated to review internal control system in a special project, the Audit Report of the Certified Public Accountant shall be disclosed: Nil.

(VIII) In 2019 and as of the printing date of this Annual Report, facts of penalty imposed upon the Company and its internal personnel for their violation of the regulations of the internal control system, the major defects and the corrective actions taken: Nil.

(IX) In 2019 and as of the printing date of this Annual Report, the Key Resolutions resolved in the shareholders' meeting and board of directors are as below:

1. Significant decisions resolved in the 2019 general shareholders' meeting and the implementation thereof:

The Company had convened the 2019 annual shareholders' meeting on May 24, 2019 with the significant decisions resolved as follows:

Significant decisions resolved	Facts of implementation
1. Adoption of 2018 business report and financial statements	Nil.
2. Adoption of earning distribution proposal of 2018.	The general shareholders' meeting had approved cash dividend of NT\$1.3 per share. On May 31, 2019, the Board had resolved June 25, 2019 as the ex-dividend date and distributed cash dividends on July 18, 2019.
3. Approval on the Amendments to the Company's Articles of Incorporation	The Company has applied to MOEA for change of registration on June 4, 2019, and gotten the approval on June 13, 2019.
4. Approval on the Amendments to the Company's "Procedures for Loaning Funds to Other Parties "	The revised procedures have been published on the Company's website as guidance afterwards.
5. Approval on the Amendments to the Company's "Procedures for Endorsements and Guarantees "	The revised procedures have been published on the Company's website as guidance afterwards.
6. Approval on the Amendments to the Company's "Procedures for Acquisition or Disposal of Assets "	The revised procedures have been published on the Company's website as guidance afterwards.
7. Approval on the Amendments to the Company's "Policies and Procedures for Financial Derivative Transactions "	The revised procedures have been published on the Company's website as guidance afterwards.
8. Election of directors of the Company's 13th term board of directors	The Company has applied to MOE for change of registration on June 4, 2019, and gotten the approval on June 13, 2019.
9. Approval on releasing the restriction on directors of the 13th term board of directors (including its representatives) from participating in competitive Business.	Nil.

2. The details of resolutions of the Company's board of directors and the Independent Directors' opinions and the Company's response to independent directors' opinion for 2019 and the period ended on the print date of the annual report:

Session and the date	Significant decisions resolved (Note1)	Independent directors' opinions	Objection or qualified opinions of independent directors	The Company's response to independent directors' opinions
<p>Session 12 28th January 29, 2019</p>	<ol style="list-style-type: none"> 1. Amendments to the company's "Corporate Governance Best Practice Principles"; 2. Amendments to the Company's "Accounting System" ; 3. The Company's subsidiaries' loaning to another subsidiary; 4. The Company's subsidiary's providing some collateral as endorsement and guarantee to another subsidiary; 5. The Company's acquiring the new shares issued by its subsidiary; 6. The Company's setting up a subsidiary; 7. Adjustment of the authorized chief officers who are applicable for Executive Compensation Policy for fiscal year 2019; 8. Proposal of the authorized chief officers' 2018 year-end bonus; 9. To apply adjustment to financial institutions for the line of credit. 	<ol style="list-style-type: none"> 1. The independent director Mr. Jhan Hong-Chih represented the Nomination Committee in the explanation of how the Nomination Committee reviewed Proposal 1 and why all the attending committee members approved the proposal unanimously. 2. The independent director Mr. Yen Lou-Yu represented the Audit Committee in the explanation of how the Audit Committee reviewed Proposals 2-5 and why all the attending committee members approved the proposal unanimously. 3. The independent director Mr. Hong San-Xiong represented the Remuneration Committee in the explanation of how the Remuneration Committee reviewed Proposal 7 and 8 and why all the attending committee members approved the proposal unanimously. 4. Other proposal: Nil. 	<p>Nil</p>	<p>Nil</p>
<p>Result of resolutions: All the proposals were passed unanimously after Chairperson inquired all the attending directors, except for Proposal 7 and Proposal 8 where Vice Chairperson Hsueh Chien-Ping and attending personnel (not directors) General Manager, Auditor-General and Chief Financial Officer did not vote given their positions as authorized chief officers due to potential conflict of interest.</p>				
<p>Session 12 29th February 25, 2019</p>	<ol style="list-style-type: none"> 1. Adoption of unaudited Consolidated and Parent Company only financial statements for the year ended December 31, 2018; 2. The appointment of CPAs and the audit fee for the year 2019; 3. Adoption of the 2018 Business Report ; 4. Adoption of the proposal for 2018 retained earnings distribution; 	<ol style="list-style-type: none"> 1. The independent director Mr. Yen Lou-Yu represented the Audit Committee in the explanation of how the Audit Committee reviewed Proposals 1-5 & Proposals 10-11 and why all the attending committee members approved the proposal unanimously. 2. The independent director Mr. Hong San-Xiong represented the Remuneration Committee in the explanation of how the Remuneration Committee 	<p>Nil</p>	<p>Nil</p>

Session and the date	Significant decisions resolved (Note1)	Independent directors' opinions	Objection or qualified opinions of independent directors	The Company's response to independent directors' opinions
	<ol style="list-style-type: none"> 5. Proposal of the internal control statement for the year ended December 31, 2018; 6. Proposal of the proportion of employee compensation and directors compensation for the year ended December 31, 2018; 7. Proposal of release the Prohibition on Directors (including representatives) of the 13th Board from participation in competitive business; 8. Amendments to the "Articles of Incorporation" of the Company; 9. Resolve to convene 2019 Annual General Shareholders' Meeting and its agenda; 10. Approval of the overseas subsidiary of the Company intending to obtain land held from the government of PRC; 11. Approval of the overseas subsidiary of the Company amending the amount of investment and loaning to its investee; 12. To apply the renewal and adjustment to financial institutions for the line of credit; 13. Proposal of the authorized chief officers' compensation for the year ended December 31, 2018. 	<p>reviewed Proposal 6 and Proposal 13 and why all the attending committee members approved the proposal unanimously.</p> <ol style="list-style-type: none"> 3. The independent director Mr. Jhan Hong-Chih represented the Nomination Committee in the explanation of how the Nomination Committee reviewed Proposal 7 and why all the attending committee members approved the proposal unanimously 4. Other proposal: Nil. 		
Result of resolutions: All the proposals were passed unanimously after Chairperson inquired all the attending directors, except for Proposal 6 and Proposal 13 where Vice Chairperson Hsueh Chien-Ping and attending personnel (not directors) General Manager, Auditor-General and Chief Financial Officer did not vote given their positions as authorized chief officers.				
Session 12 30th April 8, 2019	<ol style="list-style-type: none"> 1. Amendments to the "Procedures for Loaning Funds to Other Parties"; 2. Amendments to the "Procedures for Endorsements and Guarantees"; 3. Amendments to the "Procedures for Acquisition or Disposal of Assets"; 	<ol style="list-style-type: none"> 1. The independent director Mr. Yen Lou-Yu represented the Audit Committee in the explanation of how the Audit Committee reviewed Proposals 1-4 and why all the attending committee members approved the proposal unanimously. 2. The independent director Mr. Jhan Hong-Chih 	Nil	Nil

Session and the date	Significant decisions resolved (Note1)	Independent directors' opinions	Objection or qualified opinions of independent directors	The Company's response to independent directors' opinions
	<ol style="list-style-type: none"> 4. Amendments to the "Policies and Procedures for Financial Derivative Transactions"; 5. Appointment of the new chief corporate governance officer; 6. Discussion on the Company's Director of the 13th Board of Directors; 7. Proposal to the 2019' annual stockholders' meeting for releasing the Prohibition on Directors (including representatives) of the 13th Board from Participating in Competitive Business; 8. To apply the renewal and adjustment to financial institutions for the line of credit; 9. Proposal of planning the training courses for directors for the year ended December 31, 2019. 	<p>represented the Nomination Committee in the explanation of how the Nomination Committee reviewed Proposals 5-7 & Proposal 9 and why all the attending committee members approved the proposal unanimously.</p> <p>3. Other proposal: Nil.</p>		
<p>Result of resolutions:</p> <ol style="list-style-type: none"> 1. Proposal 5 was passed unanimously after Chairperson inquired all the attending directors, except for Executive Assistant, Finance Department who did not vote due to potential conflict of interest. 2. Proposal 6 was passed unanimously after Chairperson inquired all the other attending directors, and rectified by the shareholder meeting except for independent directors Mr. Jhan Hong-Chih; Mr. Hong San-Xiong; and Mr. Yen Lou-Yu who did not vote for the review of their own qualifications, Chairperson, Mr. Hsueh Chien-Ping Vice Chairperson; Director Ms. Chou Wang Mei-Wen who did not vote. 3. Proposal 7 was passed unanimously after Chairperson inquired all the attending directors, except for Chairperson, the independent director Mr. Jhan Hong-Chih and Director Ms. Chou Wang Mei-Wen who did not vote, after they provided details of the subsidiaries 100% directly/indirectly owned by the Company and the termination of the non-competitive clauses they are associated with. 4. All the other proposals were passed unanimously after inquiry from Chairperson and by all the attending directors. 				
<p>Session 12 31th April 29, 2019</p>	<ol style="list-style-type: none"> 1. Adoption of unaudited Consolidated financial statements for the first quarter ended March 31, 2019; 2. Amendments to the Company's "Internal Control System"; 3. The Company's subsidiary's loaning to another subsidiary; 4. Proposal of the annual adjustment of monthly 	<ol style="list-style-type: none"> 1. The independent director Mr. Hong San-Xiong represented the Audit Committee in the explanation of how the Audit Committee reviewed Proposals 1-3 and why all the attending committee members approved the proposal unanimously. 2. The independent director Mr. Hong San-Xiong represented the Remuneration Committee in the explanation of how the Remuneration Committee 	<p>Nil</p>	<p>Nil</p>

Session and the date	Significant decisions resolved (Note1)	Independent directors' opinions	Objection or qualified opinions of independent directors	The Company's response to independent directors' opinions
	<p>salary of the authorized chief officers for the year 2019;</p> <p>5. To apply the renewal and adjustment to financial institutions for the line of credit.</p>	<p>reviewed Proposal 4 and why all the attending committee members approved the proposal unanimously.</p> <p>3. Other proposal: Nil.</p>		
Result of resolutions: All the proposals were passed unanimously after Chairperson inquired all the other attending directors, except for Proposal 4 where Vice Chairperson Mr. Hsueh Chien-Ping and attending personnel (not directors) General Manager, Auditor-General and Chief Financial Officer did not vote given their positions as authorized chief officers.				
Session 13 1th May 31,2019	<p>1. Adoption of Ex-dividend and distribution date for earning distribution of year 2018;</p> <p>2. Appointment of the members of the 4th term Remuneration Committee;</p> <p>3. Appointment the members of the 2nd term Nominating Committee;</p> <p>4. The Company loaning to another subsidiary and the subsidiaries' loaning to another subsidiaries;</p> <p>5. To apply adjustment of credit line through financial institution and to provide guarantees for the Company's subsidiary.</p>	<p>1. The independent director Mr. Yen Lou-Yu represented the Audit Committee in the explanation of how the Audit Committee reviewed Proposal 4 & Proposal 5 and why all the attending committee members approved the proposal unanimously.</p> <p>2. Other proposal: Nil.</p>	Nil	Nil
Result of resolutions: All the proposals were passed unanimously after Chairperson inquired all the attending directors, except for the independent directors concerned who did not vote for conflict of interest in the respective appointment in Proposal 2 and Proposal 3.				
Session 13 2th May 31,2019	<p>1. Proposal of the monthly compensation for the Company's independent directors of the 13th term BOD;</p> <p>2. Proposal of the employee compensation attributable to the authorized chief officers for the year ended December 31, 2018;</p> <p>3. Proposal of the profit sharing to the Company's Directors' compensation for the year ended December 31, 2018.</p>	<p>1. The independent director Mr. Hong San-Xiong represented the Remuneration Committee in the explanation of how the Remuneration Committee reviewed Proposal 1 and Proposal 3 and why all the attending committee members approved the proposal unanimously, except for the independent directors or directors concerned who did not vote to avoid conflict of interest for the proposals related to their own remunerations.</p> <p>2. Other proposal: Nil.</p>	Nil	Nil
Result of resolutions: All the proposals were passed unanimously after Chairperson inquired all the other attending directors, except for Proposal 1 and Proposal 3 where the independent directors and directors concerned did not vote due to conflict of interest for the proposals related to their				

Session and the date	Significant decisions resolved (Note1)	Independent directors' opinions	Objection or qualified opinions of independent directors	The Company's response to independent directors' opinions
respective remuneration, and except for Proposal 2 where Chairperson, attending personnel (not directors) General Manager, Auditor-General and Chief Financial Officer did not vote given their positions as authorized chief officers.				
Session 13 3th June 14, 2019	<ol style="list-style-type: none"> 1. Adoption of the record date of the Company's exchanging new shares for old ones as a result of the Company's changing its name and a proposal for a replacement issue of stocks; 2. Amendments to the Company's "Rules and Regulations of Board of Directors Meetings"; 3. To approve the adjustments to the Company's loaning to its another subsidiary and the loans between the subsidiaries; 4. To approve authorization by the Board of Directors; 5. To approve the Company's guarantees for its subsidiary applying to the financial institution for the line of hedging of foreign currency risk; 6. The Company's subsidiary acquiring the new shares issued by its subsidiary. 	<ol style="list-style-type: none"> 1. The independent director Mr. Yen Lou-Yu represented the Audit Committee in the explanation of how the Audit Committee reviewed Proposal 3 & Proposals 5-6 and why all the attending committee members approved the proposal unanimously. 2. Other proposals: The independent director Mr. Hong San-Xiong proposed that the independent director Mr. Jhan Hong-Chih should continue to serve as the convener for the Nomination Committee. This proposal was passed unanimously by the independent director Mr. Yen Lou-Yu in the Nomination Committee, Director Mr. Chou Chun-chi and the independent director Ms. Li Yi-Li. 	Nil	Nil
Result of resolutions: All the proposals were passed unanimously after Chairperson inquired all the other attending directors, except for Proposal 4 Director Mr. Chou Chun-chi did not participate in the discussion or voting process due to conflict of interest.				
Session 13 4th July 29, 2019	<ol style="list-style-type: none"> 1. Adoption of unaudited Consolidated financial statements for the second quarter ended June 30, 2019; 2. To apply the renewal financial institutions for the line of credit; 3. Amendments to the Company's "Internal Control Systems". 	<ol style="list-style-type: none"> 1. The independent director Mr. Yen Lou-Yu represented the Audit Committee in the explanation of how the Audit Committee reviewed Proposal 1 and why all the attending committee members approved the proposal unanimously. 2. The independent director Mr. Yen Lou-Yu represented the Audit Committee in the review of Proposal 3 and suggested that the amendment plans for the internal control system may be scheduled quarterly and reviewed annually. As proposed by the Auditor Office, the AML management procedures should be included in the annual internal audits for review. This 	Nil	Nil

Session and the date	Significant decisions resolved (Note1)	Independent directors' opinions	Objection or qualified opinions of independent directors	The Company's response to independent directors' opinions
		proposal was passed unanimously by all the attending committee members. 3. Other proposal: Nil.		
Result of resolutions: All the proposals were passed unanimously by the attending directors.				
Session 13 5th August 28, 2019	1. Approval of the domestic subsidiary of the Company intending to invest a new real estate development; 2. To apply the renewal financial institutions for the line of credit; 3. Approval of the oversea subsidiary of the Company capital increase by cash and intending to invest a new real estate development.	1. The independent director Mr. Yen Lou-Yu represented the Audit Committee in the explanation of how the Audit Committee reviewed Proposal 1 & Proposal 3 and why all the attending committee members approved the proposal unanimously. 2. Other proposal: Nil.	Nil	Nil
Result of resolutions: All the proposals above were approved by all board members present at the Board meeting.				
Session 13 6th September 18, 2019	Approval of the oversea subsidiary of the Company intending to obtain right-of-use of land.	The independent director Mr. Yen Lou-Yu represented the Audit Committee in the explanation of how the Audit Committee reviewed this proposal and why all the attending committee members approved the proposal unanimously	Nil	Nil
Result of resolutions: All the proposals above were approved by all board members present at the Board meeting.				
Session 13 7th October 28, 2019	1. Adoption of unaudited Consolidated financial statements for the third quarter ended September 30, 2019; 2. Amendments to the Company's "Internal Control Systems"; 3. To apply the renewal financial institutions for the line of credit; 4. The Company's Board of Directors approved the issuance of unsecured corporate bond of amount less than NT 0.9 billion dollars.	1. The independent director Mr. Yen Lou-Yu represented the Audit Committee in the explanation of how the Audit Committee reviewed Proposals 1-2 and why all the attending committee members approved the proposal unanimously. 2. Other proposal: Nil.	Nil	Nil
Result of resolutions: All the proposals were passed unanimously after Chairperson inquired all the attending directors, except for the modification of the texts regarding internal control systems in Proposal 2.				
Session 13	1. Approved 2020 Budget Proposal ;	1. The independent director Mr. Yen Lou-Yu represented	Nil	Nil

Session and the date	Significant decisions resolved (Note1)	Independent directors' opinions	Objection or qualified opinions of independent directors	The Company's response to independent directors' opinions
8th December 30, 2019	<ol style="list-style-type: none"> 2. Amendments to the Company's "Internal Control Systems"; 3. Amendments to the Company's "Internal Audit Implementation Rules"; 4. Approved 2020 Internal Audit Plan ; 5. Amendments to the Company's "Risk Management Policies"; 6. Approval of the Company's oversea subsidiary's increasing capital by cash and intending to obtain right-of-use of land; 7. Decided the application of the list of authorized chief officers which be adopted in Executive Compensation Policy in the fiscal year 2020; 8. Approval of using the Company's 2018 undistributed earnings to make substantial investment. 	<p>the Audit Committee in the explanation of how the Audit Committee reviewed Proposals 2-6 and why all the attending committee members approved the proposal unanimously.</p> <ol style="list-style-type: none"> 2. The independent director Mr. Hong San-Xiong represented the Remuneration Committee in the explanation of how the Remuneration Committee reviewed Proposal 7 and why all the attending committee members approved the proposal unanimously. 3. Other proposal: Nil. 		
<p>Result of resolutions: All the proposals were passed unanimously after Chairperson inquired all the other attending directors, except for Proposal 3 with additions/modifications of certain articles in the Internal Audit Implementation Rules and for Proposal 7 where Chairperson; attending personnel (not directors) General Manager, Auditor-General and Chief Financial Officer did not vote given their positions as authorized chief officers.</p>				
Session 13 9th January 20, 2020	<ol style="list-style-type: none"> 1. To apply the renewal and adjustment to financial institutions for the line of credit. 2. Proposal of the authorized chief officers' 2019 year-end bonus. 3. The Company's subsidiary loaning to another subsidiary. 4. Proposal of the Company's subsidiary loaning to the Company for cash planning. 	<ol style="list-style-type: none"> 1. The independent director Mr. Hong San-Xiong represented the Remuneration Committee in the explanation of how the Remuneration Committee reviewed Proposal 2 and why all the attending committee members approved the proposal unanimously. 2. The independent director Mr. Yen Lou-Yu represented the Audit Committee in the explanation of how the Audit Committee reviewed Proposals 3-4 and why all the attending committee members approved the proposal unanimously. 3. Other proposal: Nil. 	Nil	Nil

Session and the date	Significant decisions resolved (Note1)	Independent directors' opinions	Objection or qualified opinions of independent directors	The Company's response to independent directors' opinions
	Result of resolutions: All the proposals were passed unanimously after Chairperson inquired all the attending directors, except for Proposal (2) where Chairperson and attending personnel (not directors) General Manager, Auditor-General and Chief Financial Officer did not vote given their positions as authorized chief officers.			
Session 13 10th February 27, 2020	<ol style="list-style-type: none"> 1. Adoption of unaudited Consolidated and Parent Company only financial statements for the year ended December 31, 2019. 2. Adoption of the 2019 Business Report. 3. Adoption of the proposal for 2019 retained earnings distribution. 4. The appointment of CPAs and the audit fee for the year 2020. 5. Proposal of the internal control statement for the year ended December 31, 2019. 6. Proposal of the proportion of employee remuneration and directors compensation for the year ended December 31, 2019. 7. Amendments to the Company's "Articles of Incorporation". 8. Amendments to the Company's "Corporate Social Responsibility Best Practice Principles". 9. Resolve to convene 2020 Annual General Shareholders' Meeting and its agenda. 10. Amendments to the Company's "Rules and Regulations of Board of Directors Meetings". 11. Amendments to the Company's "Audit Committee Charter" 12. Amendments to the Company's "Remuneration Committee Charter". 13. Approved the proposal of 2019 short-term performance bonus providing and the long-term financial contribution of employees bonus to the authorized chief officers. 	<ol style="list-style-type: none"> 1. The independent director Mr. Yen Lou-Yu represented the Audit Committee in the explanation of how the Audit Committee reviewed Proposals 1-5, Proposal 11, Proposal 15 and why all the attending committee members approved the proposal unanimously. 2. The independent director Mr. Yen Lou-Yu represented the Remuneration Committee in the explanation of how the Remuneration Committee reviewed Proposal 6 and Proposals 12-13 and why all the attending committee members approved the proposal unanimously. 3. Other proposal: Nil. 	Nil	Nil

Session and the date	Significant decisions resolved (Note1)	Independent directors' opinions	Objection or qualified opinions of independent directors	The Company's response to independent directors' opinions
	14. To apply the adjustment to financial institutions for the line of credit. 15. The Company's subsidiary loaning to another subsidiary.			
Result of resolutions: All the proposals were passed unanimously after Chairperson inquired all the other attending directors, except for Proposal 13 where Chairperson and attending personnel (not directors) General Manager, Auditor-General and Chief Financial Officer did not vote given their positions as authorized chief officers.				
Session 13 11th March 26, 2020	1. The Company's subsidiary loaning fund to others. 2. Amendments to the Company's "Internal Control Systems".	The independent director Mr. Yen Lou-Yu represented the Audit Committee in the explanation of how the Audit Committee reviewed Proposals 1-2 and why all the attending committee members approved the proposal unanimously.	Nil	Nil
Result of resolutions: All the proposals above were approved by all board members present at the Board meeting.				

Note 1: All resolutions of the Company's Board of Directors were shown as above.

- (X) In latest fiscal year and as of the printing date of this Annual Report, different opinions posed by the directors or supervisors to the Key Resolutions in the board of directors, as backed with written records or declaration in writing: Nil.
- (XI) In recent fiscal year and as of the printing date of this Annual Report, facts regarding the compilation for resignation, discharge of the chairman, general manager, chief accountant, financial head, principal internal auditor and research & development head: Nil.
- (XII) The licenses/certificates obtained by the Company from the competent authorities proving transparent personnel on the Company's financial standing:

The Company and the finance relevant personnel include 1 CPA officially licensed by the Republic of China with the Proficiency Test for Stock Affair Specialist concurrently.

IV. Information on Certified Public Accountant fees:

The Company have reviewed the CPAs' independency and the competency, assigned Deloitte CPA - Shyu Wen-Yea and Lai Kwan-Chung as the Company 2019 CPA according to the approval of board of directors on February 25, 2019.

Name of CPA house	Name of CPA		Duration covered in the audit	Remarks
Deloitte Touche Tohmatsu Limited	Shyu Wen-Yea	Lai Kwan-Chung	01/01/2019~12/31/2019	

(I) The evaluation form of the independency and the competency of CPA for 2019

Content	Result	Remark
1. Receipt of Auditor's Independence Declaration	<input checked="" type="checkbox"/> Consistent <input type="checkbox"/> Inconsistent	
2. Any fees paid to auditors for auditing assignments	<input checked="" type="checkbox"/> Consistent <input type="checkbox"/> Inconsistent	
3. Whether auditors and auditing team members are currently serving as the Company's directors, managers or positions with significant influence on auditing or have served as the Company's directors, managers or positions with significant influence on auditing during the past two years	<input checked="" type="checkbox"/> Consistent <input type="checkbox"/> Inconsistent	
4. Any non-auditing projects serviced by our auditors and with no direct and significant influence on auditing The rendering of non-auditing services by auditors shall be deemed as non-independent in the any of the following circumstances: (1) The auditor is able to approve, execute or complete a transaction or authorize others on the behalf of our company or authorize others in the course of service rendering. (2) The auditor is able to make significant decisions for our company. (3) The auditor reports to the board as a manager of our company. (4) The auditor supervises the assets of our company. (5) The auditor reviews the performance of the day-to-day performance of our employees. (6) The auditor compiles the original documents or data such as procurement instructions and sale orders on the behalf of our company to prove the occurrence of transactions.	<input checked="" type="checkbox"/> Consistent <input type="checkbox"/> Inconsistent	
5. The auditor does not promote or solicit the stocks or other securities issued by our company.	<input checked="" type="checkbox"/> Consistent <input type="checkbox"/> Inconsistent	
6. The auditor does not serve as the defender of our company or represent our company to resolve the conflicts with any third party.	<input checked="" type="checkbox"/> Consistent <input type="checkbox"/> Inconsistent	
7. The auditor is not the spouse, directive relative, in-law or relative by blood within two degrees with any director, manager or employee with significant influence over auditing assignments.	<input checked="" type="checkbox"/> Consistent <input type="checkbox"/> Inconsistent	

Content	Result	Remark
8. The auditor, the auditor's spouse or minor children do not invest in or share the financial benefits of our company.	<input checked="" type="checkbox"/> Consistent <input type="checkbox"/> Inconsistent	
9. The auditor, the auditor's spouse or minor children do not borrow from and lend to our company.	<input checked="" type="checkbox"/> Consistent <input type="checkbox"/> Inconsistent	
10. None of the auditors in the same practice who has worked for us with the past year serve as our director, manager or position with significant influence on auditing assignments.	<input checked="" type="checkbox"/> Consistent <input type="checkbox"/> Inconsistent	
11. The auditor has not received significant gifts or valuable presents from any of our director, supervisor or manager.	<input checked="" type="checkbox"/> Consistent <input type="checkbox"/> Inconsistent	
12. Our company has never requested the auditor to accept improper selection of accounting policies or inappropriate financial disclosure as suggested by our management.	<input checked="" type="checkbox"/> Consistent <input type="checkbox"/> Inconsistent	
13. The auditor is engaged in appropriate discussions regarding financial reporting, including the suitability of new and major accounting principles.	<input checked="" type="checkbox"/> Consistent <input type="checkbox"/> Inconsistent	

(II) Range of the fees paid to the certifying Certified Public Accountant

In Thousands of New Taiwan Dollars

Amount range		Fee Item	Audit fees	Non-audit fees	Total
1	Below \$2,000 thousand			1,971	
2	\$2,000 thousand (inclusive)~\$4,000 thousand				
3	\$4,000 thousand (inclusive)~\$6,000 thousand				
4	\$6,000 thousand (inclusive)~\$8,000 thousand				
5	\$8,000 thousand (inclusive)~\$10,000 thousand		8,170		10,141
6	Above \$10,000 thousand (inclusive)				

(III) Where the fees paid to the certifying Certified Public Accountant, the office of the certifying Certified Public Accountant as non-audit fee that accounts for over one quarter of the aggregate total of audit fee

The percentage of non-audit fees among the audit fees paid to the office of the certifying Certified Public Accountant for 2019 was 24%. Please see below the contents of the audit and non-audit services respectively:

In Thousands of New Taiwan Dollars

Name of CPA house	Name of CPA	Audit fees	Non-audit fees					Duration covered in the audit by CPAs	Remarks
			System design	Commercial registry	Human resources	Others	Subtotal		
Deloitte Touche Tohmatsu Limited	Shyu Wen-Yea	8,170	-	574	-	1,397	1,971	2019	Note 1
	Lai Kwan-Chung								

Note1: In 2019, the aggregate total audit fee amounted to NT\$8,170 thousand dollars (including the audit fee incurred for issuance of the consolidated financial reports). The contents of the non-audit services are enumerated below:

1. The commercial registry fee amounted to NT\$574 thousand dollars, incurred primarily for alteration registry, capital increase and services to coordinate with offshore subsidiaries.
2. The aggregate total for non-audit fee—Other expenditures came to NT\$1,397 thousand dollars, not up to 71% of the aggregate total of non-audit fee. Non-audit fee—other service fee incurred NT\$20 thousand for risk management course, NT\$ 1,080 thousand for risk management optimization project, NT\$120 thousand for examination of business tax applying the direct deduction method, NT\$ 142 thousand for consulting and applying to MOEAIC for investment approval and NT\$ 35 thousand for review of checklist of salary information of staff.

- (IV) Replacement of the Certified Public Accountant office where the audit fee so paid reduced from the audit fee paid in the preceding year: Please elaborate on the amount so reduced, percentage and causes of reduction: Nil.
- (V) Where the audit fee paid reduced by over 10% from the audit fee paid in the preceding year: Please elaborate on the amount so reduced, percentage and causes of reduction: Nil.

V. Information of a change in the Certified Public Accountants (CPAs): Nil.

VI. The Company's chairman, general manager, managers in charge of finance and accounting who have served with the office of a certifying Certified Public Accountant over the past one year, please disclose the name, position title and the information regarding the Certified Public Accountant Office or the affiliated enterprise thereof: Nil.

VII. In Year 2019 and as of the printing date of this Annual Report, transfer of shares, pledge or change in equity by the directors, managers and key shareholders holding over 10% of the aggregate total, and any transfer of among directors and supervisors, managers, key shareholders who transfers or mortgages share equity a related party:

In Year 2019 and as of the printing date of this Annual Report, transfer of shares, pledge or change in equity by the directors, managers and key shareholders holding over 10% of the aggregate total are shown as below, and there is no transferor of any one among directors and supervisors, managers, key shareholders who transfers or mortgages share equity a related party.

Expressed in Share

Title	Name	2019		As of March 31, 2020	
		Increase (decrease) in shares held	Increase (decrease) in shares pledged	Increase (decrease) in shares held	Increase (decrease) in shares pledged
General Manager	Liu Yuan-Chih	-	-	-	-
CEO of Group Platform Business	Hsueh Chien-Ping	-	-	-	-
General Manager of Innovation& Integration Business Group	Su Jyun-Bin (note1)				
Ethics Director	Yang Pai-Chuan	-	-	-	-
Chief Strategy Officer	Chou Chuang Yun	-	-	-	-
Vice General Manager of Digital Intelligence Center	Chen Li-Hsing	-	-	-	-
Auditor-General	Chou Su-Hsiang	-	-	-	-
Chief financial officer	Wang Jun-Yen (note1)	-	-	-	-
Vice General Manager of Public Affairs Department	Lin Jun-An(note1)	-	-	-	-
Vice General Manager of Innovation& Integration Business Group	Su Shou-Jen	-	-	-	-
Vice General Manager of Innovation& Integration Business Group	Tsai Chi-Yen	-	-	-	-
Vice General Manager of Real Estate Agent Division	Xin Hong-Jun	-	-	-	-
Vice General Manager of Real Estate Agent Division	Feng Chi-Yi	-	-	-	-
Vice General Manager of First-hand New House Selling Department	Lee Shao-Kang	-	-	-	-
Senior Manager of Human Resource Department	Chang Shu	-	-	-	-
Senior Manager of Customer Service Department	Liu Wei-Te	-	-	(210)	-
Senior Manager of Finance Department	Chen Chih-Huan	-	-	-	-

Title	Name	2019		As of March 31, 2020	
		Increase (decrease) in shares held	Increase (decrease) in shares pledged	Increase (decrease) in shares held	Increase (decrease) in shares pledged
Senior Manager of Accounting Department	Lin Chiu-Chin	-	-	-	-
Senior Manager of Business Service Department	Chang Ching-Chih	-	-	-	-
Senior Manager of Real Estate Planning & Research Office	Su Chi-Rong	-	-	-	-
Senior Manager of living development department	Hsu Ling-Ling	-	-	-	-
Manager of Home Service Department	Chuang Chien-Jung (note2)	-	-	-	-
Manager of Digital Process Development Department	Chang Ya-Hsi	-	-	-	-
Senior Manager of Innovation& Integration Business Group	Liu Yu-Rong (note 1)	-	-	-	-
Senior Manager of digital Application and Development Department	Chiang Yuan-Chi	-	-	-	-
Senior Manager of Information Service Security Management Department	Hsu Chien-Hao (note1)	-	-	-	-
Senior Manager of IT System Development Department	Tso Hsin-Chiang (note1)	-	-	29	-
Senior Manager of Marketing & Brand Communication Department	Liu Ta-Cheng (note1)	-	-	-	-
Senior Manager of Real Estate Agent Division	Chen Hsu-Chieh	-	-	-	-
Senior Manager of Real Estate Agent Division	Lin San-Chih	-	-	-	-
Senior Manager of Real Estate Agent Division	Chen Shih-Yao	-	-	-	-
Senior Manager of Real Estate Agent Division	Chen Shih-Ciang	-	-	-	-
Senior Manager of Real Estate Agent Division	Chang Wen-Tsung (note 2)	-	-	-	-
Senior Manager of Real Estate Agent Division	Wang Hui-Ping	7,000	-	5,000	-
Senior Manager of Real Estate Agent Division	Chang Teng-Lai	-	-	-	-
Senior Manager of Real Estate Agent Division	Wang Chih-Nan	-	-	-	-
Senior Manager of Real Estate Agent Division	Hsieh Tsung-Hsien (note2)	-	-	-	-
Senior Manager of Real Estate Agent Division	Chou Chun-Jung	-	-	-	-
Senior Manager of Real Estate Agent Division	Lin Wu-Hsiung	-	-	-	-
Senior Manager of Real Estate Agent Division	Su Shang-Yao	-	-	-	-
Senior Manager of Real Estate Agent Division	Huang Mao-Shu	-	-	-	-
Senior Manager of Real Estate Agent Division	Hung Cheng-Lung	-	-	-	-
Senior Manager of Real Estate Agent Division	Liao Ching-Chou	-	-	-	-
Senior Manager of Real Estate Agent Division	Chen Chin-Tang	-	-	-	-
Senior Manager of Real Estate Agent Division	Chang Chia-Jung	13,000	-	-	-
Senior Manager of Real Estate Agent Division	Chang Wei-Hsiang	-	-	-	-
Senior Manager of Real Estate Agent Division	Wang Mao-Sang	-	-	-	-

Title	Name	2019		As of March 31, 2020	
		Increase (decrease) in shares held	Increase (decrease) in shares pledged	Increase (decrease) in shares held	Increase (decrease) in shares pledged
Senior Manager of Real Estate Agent Division	Hung Chien-Huan	-	-	-	-
Senior Manager of Real Estate Agent Division	Lin Te-Cheng	-	-	-	-
Senior Manager of Real Estate Agent Division	Yu Ho-An	-	-	-	-
Senior Manager of Real Estate Agent Division	Liu Tung-Yuan	-	-	-	-
Senior Manager of Real Estate Agent Division	Wang Chih-Wei	-	-	-	-
Senior Manager of Real Estate Agent Division	Ye Zong-Fu	(9,000)	-	-	-
Senior Manager of Real Estate Agent Division	Chang Jun-Da	-	-	-	-
Senior Manager of Real Estate Agent Division	Chen Yu-Li	83	-	1,000	-
Senior Manager of Real Estate Agent Division	He In-Yu	22,246	-	-	-
Senior Manager of Real Estate Agent Division	Chen Yu-Hsiao	-	-	-	-
Senior Manager of Real Estate Agent Division	Lee Ming-Shan	-	-	1,000	-
Senior Manager of Real Estate Agent Division	Chou Ken-Yu	-	-	-	-
Senior Manager of Real Estate Agent Division	Chen Chien-Yu	-	-	-	-
Senior Manager of Real Estate Agent Division	Liu Yi-Chi (note2)	-	-	-	-
Senior Manager of Real Estate Agent Division	Wu Kuo-Chun	-	-	-	-
Senior Manager of Real Estate Agent Division	Lin Kwn-Hung (note1)	-	-	-	-
Senior Manager of Real Estate Agent Division	Fang Hao-Chuan (note1)	-	-	-	-
Senior Manager of Real Estate Agent Division	Wei Shi-Fang (note1)	-	-	-	-
Senior Manager of Real Estate Agent Division	Wang Sheng-Xian	-	-	-	-
Senior Manager of Real Estate Agent Division	Kuo Li-Wei (note1)	-	-	-	-
Senior Manager of Real Estate Agent Division	Huang Chiao-Yun (note1)	-	-	-	-
Senior Manager of Real Estate Agent Division	Hsu Shun-Chi (note1)	-	-	2,000	-

Note 1: Only the information regarding the increase/decrease of the shares they own as of the date they took place is disclosed.

Note 2: Mr. Tsai Chi-Yen discharged from the position of manager for his resignation. Mr. Chang Wen-Tsung, Mr. Hsieh Tsung-Hsien, Mr. Liu Yi-Chi and Ms. Chuang Chien-Jung discharged from the positions of managers for reassignment

VIII. Top shareholders in terms of shareholding, and the information of their interrelationship

Expressed in Share, %

Name	Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Names and Relations of Top 10 Shareholders who are Spousal Relationship or are within the Second Degree of Kinship		Remarks
	Number of Shares	%	Number of Shares	%	Number of Shares	%	Title (Or Name)	Relation	
Sinyi Co., Ltd.	210,238,285	28.53%	-	-	-	-	Yu Hao Co., Ltd. Sinyeh Co., Ltd.	Same Chairperson Juristic person director	Nil
Sinyi Co., Ltd. Representative: Chou Chun-Chi	9,378,622	1.27%	3,613,239	0.49%	-	-	Sinyi Co., Ltd. Yu Hao Co., Ltd Sinyeh Co., Ltd. Chou Chun-Hao Chou Ken-Yu Chou Chun-Heng	Representative of Juristic person director Representative of Juristic person director Representative of Juristic person director Relative within the second degree of kinship Relative within the second degree of kinship Relative within the second degree of kinship	
Yu Hao Co., Ltd.	208,937,108	28.36%	-	-	-	-	Sinyi Co., Ltd. Sinyeh Co., Ltd.	Same Chairperson Supervisor	
Yu Hao Co., Ltd. Representative: Chou Chun-Chi	9,378,622	1.27%	3,613,239	0.49%	-	-	Sinyi Co., Ltd. Yu Hao Co., Ltd. Sinyeh Co., Ltd. Chou Chun-Hao Chou Ken-Yu Chou Chun-Heng	Representative of Juristic Person Director Representative of Juristic Person Director Representative of Juristic Person Director Relative within the second degree of kinship Relative within the second degree of kinship Relative within the second degree of kinship	
The specially designated (earmarked) comprehensive trust account on employee shareholding of Chinatrust Commercial Bank for Sinyi employees	30,247,968	4.11%	-	-	-	-	Nil	Nil	
Chou Chun-Hao	21,667,797	2.94%	-	-	-	-	Chou Chun-Chi Chou Ken-Yu Chou Chun-Heng	Relative within the second degree of kinship	
Chou Chun-Heng	21,978,641	2.98%	-	-	-	-	Chou Chun-Chi Chou Chun-Hao Chou Ken-Yu	Relative within the second degree of kinship	
Chou Ken-Yu	20,307,354	2.76%	-	-	-	-	Chou Chun-Chi Chou Chun-Hao Chou Chun-Heng Sinyi Co., Ltd. Yu Hao Co., Ltd.	Relative within the second degree of kinship Relative within the second degree of kinship Relative within the second degree of kinship Representative of Juristic Person Director Representative of Juristic Person Director	
Sinyeh Co., Ltd.	9,381,169	1.27%	-	-	-	-	Sinyi Co., Ltd. Yu Hao Co., Ltd. Chou Chun-Chi	Equity method investees Equity method investees Representative of Juristic Person Director	
Sinyeh Co., Ltd. Representative: Chou Chun-Chi	9,378,622	1.27%	3,613,239	0.49%	-	-	Sinyi Co., Ltd. Yu Hao Co., Ltd. Sinyeh Co., Ltd. Chou Chun-Hao Chou Ken-Yu Chou Chun-Heng	Representative of Juristic Person Director Representative of Juristic Person Director Representative of Juristic Person Director Relative within the second degree of kinship Relative within the second degree of kinship Relative within the second degree of kinship	
Chou Chun-Chi	9,378,622	1.27%	3,613,239	0.49%	-	-	Sinyi Co., Ltd. Yu Hao Co., Ltd. Sinyeh Co., Ltd. Chou Chun-Hao Chou Ken-Yu Chou Chun-Heng	Representative of Juristic Person Director Representative of Juristic Person Director Representative of Juristic Person Director Relative within the second degree of kinship Relative within the second degree of kinship Relative within the second degree of kinship	
Cathay Pacific Bank trusted to take custody of J-Ten Co., Ltd.	7,278,430	0.99%	-	-	-	-	Nil	Nil	
Citi Bank trusted to take custody of Norges Bank, Norway	7,260,887	0.99%	-	-	-	-	Nil	Nil	

IX. The number of shares held by the Company, the Company's directors and supervisors, managers and the businesses under control by the Company either directly or indirectly to the same re-investment business and consolidated shareholder percentages are combined and calculated:

Expressed in Share, %

Reinvested companies (Note)	Investment by the Company		Investment by directors, supervisor, manager and directly or indirectly controlled company		Syndicated investment	
	Number of Shares	Shareholdin g rate	Number of Shares	Shareholding rate	Number of Shares	Shareholding rate
SINYI LIMITED	68,777,000	100.00%	-	-	68,777,000	100.00%
SINYI INTERNATIONAL LIMITED	345,238,037	100.00%	-	-	345,238,037	100.00%
Jui-Inn Consultants Co., Ltd.	500,000	100.00%	-	-	500,000	100.00%
Sinyi Development Inc.	203,500,000	100.00%	-	-	203,500,000	100.00%
Sinyi Culture Publishing Inc.	-	99.20%	-	0.80%	-	100.00%
Sinyi Global Asset Management Co., Ltd.	5,000,000	100.00%	-	-	5,000,000	100.00%
Sinyi Interior Design Co., Ltd.	95,000	19.00%	405,000	81.00%	500,000	100.00%
Heng-Yi Technology Inc.	2,100,000	75.00%	700,000	25.00%	2,800,000	100.00%
Sinyi Real Estate Consulting Inc.	500,000	100.00%	-	-	500,000	100.00%
Yowoo Technology Inc.	10,000,000	100.00%	-	-	10,000,000	100.00%
An-Sin Real Estate Management Ltd.	7,650,000	51.00%	600,000	4.00%	8,250,000	55.00%
SIN CHIUN HOLDING SDN. BHD.	163,537,766	100.00%	-	-	163,537,766	100.00%
Rakuya International Info. Co. Ltd.	2,580,745	22.51%	2,448,570	21.36%	5,029,315	43.87%
An-Shin Real Estate Management	-	-	5,500,000	55.00%	5,500,000	55.00%
Da-Chia Construction Co., Ltd.	-	-	50,000	100.00%	50,000	100.00%
Sinyi Real Estate Co., Ltd.	-	-	50,000	100.00%	50,000	100.00%
INANE INTERNATIONAL LIMITED	-	-	51,935,840	100.00%	51,935,840	100.00%
Shanghai Sinyi Real Estate Inc.	-	-	-	100.00%	-	100.00%
Shanghai Zhi Xin allograph Ltd.	-	-	-	100.00%	-	100.00%
Ke Wei HK Realty Limited	-	-	2,675,000	99.07%	2,675,000	99.07%
Beijing Sinyi Real Estate Ltd.	-	-	-	100.00%	-	100.00%
Ke Wei Shanghai Real Estate Management Consulting Inc.	-	-	-	100.00%	-	100.00%
FOREVER SUCCESS INTERNATIONAL LIMITED	-	-	2,216,239	100.00%	2,216,239	100.00%
Shanghai Shang Tuo Investment Management Consulting Inc.	-	-	-	100.00%	-	100.00%
Sinyi Realty Inc. Japan	-	-	16,000	100.00%	16,000	100.00%
Richesse Management Co., Ltd.	-	-	600	100.00%	600	100.00%
Tokyo Sinyi Real Estate Co., Ltd.	-	-	500,000	100.00%	500,000	100.00%
SINYI DEVELOPMENT LTD.	-	-	133,506,209	100.00%	133,506,209	100.00%
Sinyi Real Estate (Hong Kong) Limited	-	-	131,640,306	100.00%	131,640,306	100.00%
Sinyi Real Estate (Shanghai) Limited	-	-	-	100.00%	-	100.00%
MAX SUCCESS INTERNATIONAL LIMITED	-	-	1,584,000	100.00%	1,584,000	100.00%
Zhejiang Sinyi Real Estate Co., Ltd.	-	-	-	100.00%	-	100.00%
Suzhou Sinyi Real Estate Inc.	-	-	-	100.00%	-	100.00%
Hua Yun Renovation (Shanghai) Co., Ltd.	-	-	-	100.00%	-	100.00%
Kunshan Dingxian Trading Co., Ltd.	-	-	-	100.00%	-	100.00%
SINYI ESTATE LTD.	-	-	208,500,000	100.00%	208,500,000	100.00%
Sinyi Estate (Hong Kong) Limited	-	-	207,017,497	100.00%	207,017,497	100.00%
Jiu Xin Estate (Wuxi) Limited	-	-	-	100.00%	-	100.00%

PEGUSUS HOLDING SDN. BHD.			4,721,100	100.00%	4,721,100	100.00%
FIDELITY PROPERTY CONSULTANTTT HOLDING SDN. BHD.	-	-	9,110,100	100.00%	9,110,100	100.00%
Jiaxing Zhi Zheng Real Estate Marketing Planning Inc.	-	-	-	100.00%	-	100.00%
Shanghai Chang Yuan Limited	-	-	-	100.00%	-	100.00%
Lun Heng Real Estate Limited	-	-	-	100.00%	-	100.00%
Suzhou Zhi Xin Real Estate Limited	-	-	-	100.00%	-	100.00%
Lian Yue Traffic Inc.	-	-	3,080,000	100.00%	3,080,000	100%
SinYeh Business Administration (Shanghai) Limited	-	-	-	100.00%	-	100.00%
SINJU HOLDING SDN. BHD.	-	-	2,050,000	100.00%	2,050,000	100.00%
SINKANG ADMINISTRATION SDN. BHD.	-	-	2,000,000	100.00%	2,000,000	100.00%

Note: accounted for under equity method as of March 31, 2020.

X. In case of the top key shareholders or shareholders who hold over 5% in shareholding of which juristic person shareholders, the details of the key shareholders:

March 31, 2020

Names of the Juristic person shareholders	Major Shareholders of the Juristic person shareholders and Shareholding Ratio
Sinyi Co., Ltd.	Yu Heng Co., Ltd. (100.00%)
Yu Hao Co., Ltd.	Yu Heng Co., Ltd. (100.00%)
Sinyeh Co., Ltd.	Sinyi Co., Ltd. (68.10%) Yu Hao Co., Ltd. (31.90%)

Chapter Four. Performance in Fulfillment of Corporate Responsibilities toward the Society

Taking business ethics as its core strategy, the Company's sustainable development has followed the founding purposes since inception set up by its founder and Director, Mr. Chou Chun-Chi. In the respect of sustainable management, we annually draw up important strategies on how to coordinate with stakeholders for their rights. The Company has established Total Ethic Management (TEM) Committee, comprised of the Founder, Chairperson, General Manager, chief officers, sales vice general managers and other senior managers. The TEM Committee oversees and reviews the Company's CSR and sustainable development, directions, goals, performance and achievement by meeting each month and on an ad-hoc basis to discuss key issues. In 2019, the TEM Committee convened a total of 14 meetings. The Company's Board of Directors meeting convenes at least once every two months to examine the performance of the Company and discuss important strategic issues of economy, environment and social impact, risk and opportunity as well as 70 cases in 12 meetings.

With publishing CSR annual reports (including reports on sustainability, environment, corporate citizens, social philanthropy, etc.), the Company also creates channels to regularly publish reports on the website (Sinyi Realty Corporate *Sustainability website*: <http://csr.sinyi.com.tw/>) as well as financial statements or annual reports of stockholders' meetings to disclose CSR information. We also set up internal control and monitoring units including risk management committee and the Board of Directors' auditing committee, remuneration committee, and nomination committee *which include* four independent directors comprising 57% of all directors, *more than half* the seats of directors). In addition to publishing information publically and organizing internal control units, and in the meantime, we have established codes of management practices including *ethics for employees, criteria for supplier management, anti-corruption and anti-bribery*, anti-discrimination clauses, privacy policies and tax policy to implement governance norms. We also set up a reporting system or a whistleblowing and complaint channel directly accessing to the Board of Directors, a self-assessment system in business performance by the Board of Directors, a system of independent directors holding tenures of a maximum of 9 years and have 2 female directors in the Board of Directors (During 2019 AGM, the Company's shareholders selected a female independent director which is the second female directors in the BOD. Two director seats are held by female directors. The number of female directors is in excess of 29% of the total number of director seats.) Furthermore the Company was ranked in the top 5% in the 5th Corporate Governance Evaluation by The Taiwan Stock Exchange (TWSE), one of the tiny minorities of companies awarded as the top 5% five years in a row.

The Company's ongoing charity program "We are One Project" ("We are ONE" for short) was awarded the "Local Hope Award" from the Presidential Culture Award in November 2017. This award recognized the action plans that influence the society through literature and art, devote themselves to the society with long-term humanity, promote local community development through creative subversion of existing models and commit to long-term promotion of social reform. "We are one" project is the community development program committed by Sinyi Group since 2004. It is an atypical action plan emphasizing human-oriented, starting from the deep inside to make each nook and corner bright and to see through everything in the community and then to brainstorm with collective effort to come out actively innovative way of improvement. The plan intends to extend the influence from a single community to the whole society to make people a better tomorrow. With having accumulated 10,661 proposals, it has stepped into the 16th year. The participants live in almost every city in Taiwan, Penghu, Kinmen and Matsu. The judges affirmed the program as the local community action plan with the longest support from a single private company and the most participants. Thanks to this program, more people have participated in community development and many enterprises are encouraged to join in the promotion of local development. The Company shall

give the resources it received from the society back to the society and encourage the fellows that have been devoted to community development. We also hope that the enterprises can be inspired by the “We are ONE” program and light up more communities.

In 2019, the Company received several honors from Taiwan Institute for Sustainable Energy (TAISE) for the Best Annual Corporate Sustainability Report, the Best Model Performance Award, the Most Prestigious Sustainability Award-Top Ten Domestic Corporate, as well as the first-time awards such as Social Inclusion Award, Talent Development, Climate Leadership, English CSR Report Award; the 15th CSR Award by Global Views Magazine; and top 5% ranking of listed companies in corporate governance evaluation; the “Best Employer Award” by HR Asia Magazine survey; the 11th Global CSR Award by the Pinnacle Group International in Singapore. It is the testimony to our efforts in corporate governance, environmental protection and social harmony. At the same time, we exert our influence and work with suppliers to develop innovative business models and work together to promote and develop the "Escrow of Decoration and Renovation" mechanism: “Escrow of Decoration and Renovation” is designed to reduce disputes in the decoration market and safeguard the rights and interests of both parties and establish a brand new system for decoration industry. In addition, the Company is devoted to developing the community app for the community residents by inviting the stores in the community to join the app to create the wonderful living quality and experiences of the community residents. The Company and subsidiaries will continue to adhere to our people-centric philosophy in order to become sustainable companies.

In the original begin of the Company is to “promote the security, swiftness, and reasonableness of real estate transactions.” Therefore the Company is named on the spirit of “trust and righteousness” and “while trust is always carried out prior to the benefits”. Because of insisting on the management of corporate ethics, in Year 2012, we further spearheaded the native counterparts by setting up the Corporate Ethics Office as well as the position title of Ethics Director. Meanwhile, we continually sponsored corporate ethics related lectures and programs. Our goal is to assimilate “integrity” and “ethics” into education and lessons onto the first-line teammates. Through our efforts to cultivate entire staff through corporate ethics, we assure each employee to become dedicated Sinyi specialist. Furthermore, the Company is based on the stable foundation of both existing estates agent and overseas business, effectively integrating the upstream and downstream professional groups, and providing customers with a full range of real estate professional services, consulting and investment advice, so that the Company can gain the trust of consumers through its brands and services. Armed with the spirit for sustainable prosperity, the Company and its subsidiaries shall balance the benefits of our stakeholders such as customers, staff members, shareholders, society and country and natural environment, in order to fully integrate and internalize "corporate ethics" into the operational process and uphold the people-oriented spirit and do our best to move toward a goal of “insisting on corporate social responsibility and achieving world-class service giant” and “being a leader of life style”. As a result, we may actively establish a sustainable niche in the future and reach the ultimate vision of “co-prosperous society”.

I . Participation in the communities:

(I) Sponsorship toward the Entire Community in One Family:

On a long-run basis, we have spared no effort devote ourselves to community operation. We notice that communities function as the very fundamental unit to push Taiwan ahead. In Year 2004 just after the presidential election campaign, we perceived the emerging political turmoil and the confrontation amidst ethnic groups. In the ensuing year in Year 2005, we set up “One Community One Family Promotion Association” to boost the function of a community so as to promote the goal of “One Community One Family”. Furthermore, we launched “One Community One Family Sponsorship Program” with five-year in a term, with contribution of NT\$100 million sponsorship fund to substantially help communities fulfill the dream held by all communities toward families. Through such efforts, by means of community reform, we will convert the minor love within our hearts to the major love for the entire communities in

neighborhood. Then our community people could restore the powers of being “harmonious with fellow community people and neighbors”, to remove all potential estrangement in interrelationship, guiding people to pick up their inherent love and warm concern toward families, communities, society and even entire country, to indeed fulfill the dream of “getting along swimmingly with each other, one community one family”, making Taiwan we dwell become the prettiest hometown throughout the world.

In Year 2009, we further decided to invest another NT\$100 million to carry out Phase II “Action Plan of One Community One Family”, focusing on “Learning through the Communities” as the core philosophy. We interpreted the value of blessed lifestyle anew. Through the community development platforms, we brought into the experience of developing community from senior experienced of Phase I, instructions through expertise instructors along with injection of Sinyi volunteers and such human resources and other resources. We try to make the communities not only receive financial support from enterprises, but could cultivate and upgrade their own capability amidst the process of interaction and learning, enable themselves to boost growth of communities, make the communities where they dwell more blessed and demonstrate the innovative values through entrepreneurial sponsorship.

Upon the tenth anniversary of our initiative “One Community, One Family”, we embarked on “Nationwide Community Development Action Plan” in March 2015, our second 10-year program, with commitment to invest in NT\$200 million dollars. This is not only an extension of “One Community, One Family”, but also the largest corporate-sponsored scheme in community development in Taiwan. Besides paying attention to community development, it is hoped that our efforts can assist in social reconstruction by starting from homes and connecting communities. We appeal to the public for participating in public affairs and proposing innovative proposals.

In Year 2019, there were a total of 983 proposals for the Creating Communities Action Plan, among which were 197 award winners. Since Year 2004, in sixteen years in accumulation, there were 10,661 proposals posed in total, with 2,376 communities awarded the support. Overall, the Company has sponsored over NT\$400 million and successfully matched the demand-and-supply projects for 29 communities. Participants are found in every city in Taiwan, Penghu and Kinmen and Matsu. This is a community-based action plan supported by a single private enterprise for the longest time and the most number of participants ever. The plan has solidly constructed the most beautiful scenery in Taiwan and has gathered together the most hearts of loving Taiwan. The proposal had also won the honor of “the 9th Presidential Culture Prize - Hope in Place”, as a representative of social value in Taiwan and as a great affirmation to the Company’s commitment to community development over these years.

We have extensive experience as a real estate agent for property sellers and developers. We know what the customers need and we understand how valuable good neighbors are to home buyers. Sinyi Real Estate (Shanghai) Limited, one of the Company’s subsidiaries, is a real estate developer dedicated to the creation of communities for home owners with the spirit of “people decide their communities and vice versa” and “One Community, One Family” in Taiwan. Striving to be devoted to community development, Sinyi Real Estate (Shanghai) Limited discarded the old-fashioned thinking of constructing gleaming buildings and pursues the spiritual elements of what a home is about. We believe homes are the shelter for the peace of body and mind. Communities should be more than just independent blocks with shared infrastructure. We strive to create a sense of belonging for all the residents and seek to nurture an affluent environment where culture and mutual support enhance the solidarity of each community with frequent events and publications. In our first development project, “Sinyi Jiating” in Shanghai, with the mission of constituting the excellence of a neighborhood, we strive to create a living environment for the happiness and prosperity of local people. The case was fully integrated into the original unique elements created by the community development in Taiwan. It has become a reference for high-quality indicators for local peers.

The Company will also uphold the success story of “Sinyi Jiating”, which will be shared by the its subsidiaries’ development of Wuxi district in Jiangsu and Banqiao district in New Taipei City and shall continually build high-quality residential houses that meet the Company's business philosophy and are rich with the concept of humanities and the spirit of community development.

For more details about “One Community, One Family”, please surf the website below:
<https://www.taiwan4718.tw/>.

(II) Sinyi Volunteers:

During the process when we implement “One Community One Family Sponsorship Program”, we did notice very often that numerous community residents foster optimal concepts but could not get their concept embodies due primarily to lack of right human resources. In Year 2007, therefore, the Company’s teammates took the initiative to launch Sinyi Volunteers, with concrete actions known as “Sinyi Volunteers Service Actions”. We launched extensive invitation to all Sinyi teammates to join the significant program “Sinyi Volunteers” which has since then won warm and continued responses.

“When your palm faces downward, you are a happy donor”. This was the very initiative of the Sinyi Volunteers. In the real estate agent services, services always represent the very core of our business. The selfless concept of Sinyi Volunteers to serve others is just the very fundamental element in the real estate agent services. The Sinyi Volunteers Services, therefore, just function as the very core lessons in our human resources cultivation. The hands-on experiences we have accumulated previously indicate that the brokers in the more astonishing performance would show higher ratio in participating in Sinyi Volunteers. During the Sinyi Volunteers process, they learned more and more details of services, and learned the warm heart to appreciate and, in turn, convert all such precious harvest onto customer services.

The Sinyi Volunteers cover all-embracing contents. Other than conventional services with labor, the Sinyi Volunteers rendered extensive services in accompanying senior citizens, accompanying children in the study process, ecological environmental protection, blood donation, charity sales sponsorship, support to farmers in crops harvesting, soliciting books through donation, and computer software operation and applications to concretely practice the common good, the spirit of “One Community, One Family” plan. Almost each and every need in a community ranging from blog setup, after-school study aids, storytelling and traffic guards, water purification and assistance in community coastal flood prevention could be realized through Sinyi Volunteers in presence who demonstrated the doubling effects, manifesting the Sinyi Volunteers spirit to the entire society. Thanks to the Sinyi Volunteers efforts, the Company assumes another responsibility to the public interests in the society.

In an attempt to encourage Sinyi teammates to join the Sinyi Volunteers, each and every staff member is granted one-day official leave so that they may join Sinyi Volunteers. We offer incentives to dedicated Sinyi Volunteers. Moreover, the ranking executives lead the program by personal example by joining Sinyi Volunteers themselves. In Year 2019, there were total 15,185 volunteer-service hours devoted to social welfare activities and 2,115 service times. As of December 31, 2019, we had accumulated up to 163,111 hours and 22,030 service times in such meaningful program. The Company shall continue to encourage teammates to join Sinyi Volunteers since we know that we have grown amidst the support of the society, and should offer more warm feedback to the entire society. For more details about Sinyi Volunteers, please surf: <http://csr.sinyi.com.tw/>

(III) Root-laying programs in corporate ethic education:

In an attempt to cultivate future leaders in wholesome ethnics, we have, via the Sinyi Culture Foundation, launched “Root-laying programs in corporate ethic education”. We extensively invited scholars and experts to join the Program. In each and every year, we budgeted millions of New Taiwan Dollars into the Program to encourage higher education field

in Taiwan into focusing the education of future entrepreneurs into respectable character. In the Program, we teamed up with Chinese Management Association with selections of corporate ethics instructors and teachers through strict selection and screening process. We sponsor remarkable teachers to produce teaching videos and work out teaching guides on corporate ethics. Amidst the masterpieces worked out and presented by the sponsored teachers, we further screened and selected prominent ones and remarkable representatives so that the bumper crops so yielded in the Program could be co-shared by all academic and entrepreneurial fields through close interchanges. Thanks to such remarkable efforts, the momentum of the schools and the teachers have been significantly augmented and accumulated into corporate ethics powers. In the principle of “One Teacher for Every School”, we supported twenty selected teachers in twenty schools to proceed with “Corporate Ethics” case writing and teaching method research & development. Just as a result of such Sinyi efforts, the “Ethics Teaching Platform” has virtually come into being in all university campuses. As of December 31, 2019, we had already accumulated to launch 129 teaching cases, 263 corporate ethics education videos and convened 24 seminars of teaching experiences.

Through implementation, cultivation and accumulation of the “Root-laying programs in corporate ethic education”, Sinyi Conglomerate founded the “Chinese Corporate Ethics Education Promotion Society” to launch hands-on promotion of corporate ethics education in 2009. With dedicated participation from enthusiasts in education, academic and entrepreneurial fields, such powers have been multiplied into formidable momentum. On an annual basis, we further sponsor “Corporate Ethics Education Seminar” to promote the hands-on experiences accumulated by the dedicated teachers and their efforts. So far, we have set up an integrated ethic platforms. Thanks to such sound efforts, people in the academic field will get easy channels to obtain the information, contents of teaching program and the ethnic concept they need and have the bumper crop so yielded so-shared by all. In turn, the sound concept of ethnics may be profoundly implanted into the mind of school students.

Besides in Year 2012, the Company’s Chairperson of the Board of Directors donated in his personal name NT\$600 million dollars. The Company, meanwhile, donated a total of 120 million in ten years, making the aggregate total at NT\$720 million. With the huge amount of the donation, the Company set up in concert of National Chengchi University the “corporate ethics” oriented “Sinyi Institute”. Through the efforts to cultivate managers, we would imbue corporate ethics to remind enterprises to further focus on the corporate ethics. In turn, they would heighten the competitive edge of enterprises and industries and intensify the brand name image of the country. Accordingly, the Sinyi Institute is characterized by educational spirit of “managerial moral, social responsibility, sustainable development” to forge international level managerial education center. Inside the Sinyi Institute, other than the events to sponsor College of Commerce, National Chengchi University, we invited numerous guest professors at home and abroad to lecture the selected trainees in Taiwan. We offered Sinyi Scholarship and integrated the existing Sinyi Enterprise Real Estate Research & Development Center and further set up corporate ethics lectures. For the significant event, we invited former Vice President of the Republic of China Vincent Siew as the first time lecture sponsor. Meanwhile, we further set up “Corporate Ethics Research & Development Center” aiming at research of corporate ethics, managerial moral, sustainable enterprise development and sustainable environmental development as the final goals. Through establishment of systematic corporate ethics in sustainable operation, we pass the relevant knowledge and technology & know-how to students in the College of Commerce. For more details regarding Sinyi Institute, please surf: <http://www.syschool.nccu.edu.tw/rcrc>

(IV) Establishment of “Sinyi School”:

The Company further established Sinyi School in an attempt to provide the general public with another venue to study. Through lectures in diversified, comprehensive and multifaceted issues, symposiums and hands-on participation by Sinyi Volunteers, we guided the general

public into added concern about corporate ethics, cultural lifestyle and concept in environmental protection, warm concern about communities, residential spaces and blessed families. Since the Sinyi School was first founded in April 2011, we have worked on the grounds of corporate ethics spirit” as advocated by Sinyi Realty Inc., we put forth human-based perch, and took 【Sinyi School】 as the very brand logo to march into the markets for public learning with diversified, comprehensive and multifaceted domains to launch uninterrupted interchanges with the target groups on a weekly basis through story telling, concept co-share, transmission of once ignored ethic values. All such sound topics have been transmitted to each and every corner of Taiwan with inter-learning and inter-communications with target audiences.

“Sinyi School” is based on six major themes every year: Corporate ethics, environmental care, happy families, living rooms, cultural series, and community care to hold free lectures. As of December 31, 2019, just through Sinyi School, we had sponsored over 792 lectures, in an average of 2 lectures per week, which had been attended by more than 130 thousand attendees to co-share interchanges through Sinyi School Interchange Platform to co-share the fruits so yielded. In order to learn zero time difference and zero distance, the School opens up online audio and video zones on the official website so that arts and knowledge can be learned without boundaries.

In the days and years ahead, Sinyi School will continually stick to the upgraded concept of ethnics to pass on the blessed values on the grounds of knowledge and technology & know-how. Other than the transmission like proliferation of ripples, we would further spread formidable power of pulsation which, through continued Sinyi efforts, will be continually fermented on this land to accomplish the true, the good and the beautiful society. For more details about Sinyi School, please surf: <http://www.sinyischool.org.tw/index.php>.

(V) Creation of more jobs:

Since the Company first came into being, we have faithfully stuck to the “human-oriented” philosophy to offer optimal environments of employment where all Sinyi teammates have enjoyed sound and carefree employment and growth. We have tried to offer diversified, comprehensive and multifaceted opportunities of jobs and echoed the government in a variety of employment programs. Other than numerous opportunities of employment, we have offered opportunities for the mentally and physically handicapped people. Since 2010, we have hired blind people into our regular organization chart to render massage services to help other Sinyi employees soothe from pressure. We have further donated all massage funds paid by employees to public charity.

In recent years, due to the recent decline in real estate boom and transaction volume, the environment is harsh for people seeking for employment. With regard to “job transfer of youngsters” and “novice in job market” programs to recruit the new labor force, the Company has implemented “employment trial period” system since April 2015. In addition to NT\$50,000 basic monthly salary for six months, the Company has also provided new employees with 30 days trial period and NT\$50,000 transfer fees so that they can explore themselves in 30 days with low financial pressure and regain autonomy. We value the career development of our employees and respect their choice to become excellent sales or take the management position as a direct selling store manager, and promote dual track development.

Moreover, we have implemented a system to start working hour at 10 am from Monday to Thursday and have three public holidays off so that the employees can take care of both family and work. Furthermore, for the “novice in job market” program, the Company has further entered into Memorandum of understanding (MOU) with many schools in Taiwan. Even freshmen and sophomores will have access to internship opportunity to participate in programs offered by the Company from the shallower to the deeper, including scholarship program, campus sponsorship program, lectures on career issues, etc., to help students gain

interdisciplinary insights into real estate industry. We spare no effort to impart knowledge to interns, offer education training programs for them, and give welfare and holiday entitlements to them same to those of our formal employees. This system facilitates students for finding their own career attributes and also helps the Company recruit topnotch talents.

For more details about our policy in solicit talented human resources, please surf:
<http://hr.sinyi.com.tw/index.aspx>.

(VI) Forge “Moon Guarded Well-being Cities” with Moon Bus Furnishing Arts:

In an attempt to echo the call by Taipei City Government “World Design Capital Taipei 2016” coordinate with the “Urban Life Vision Reform”, the Company took the initiative to launch with the Jimmy Cartoon 《The Moon Forgets》 in a first large-scale furnishing art program in Taipei installed at the intersection of Sec. 5, Xinyi Road and Songzhi Road. That Furnishing Project would bring unique original experience and further depict the “Human Oriented” concept to build another new landmark spot where foreign visitors would stay and gaze around. On the other hand, the Company has tried to further demonstrate the “Human Concern Based Services” to further step into the general public through their common consensus. Just through the present furnishing art programs, we try to encourage the general public to reawaken the old memories profoundly buried in their minds to view anew the things and objects which they might have gazed without seeing or which they took for granted to retrieve their competence to identify truth from false. In a mood to cure their old wound, they would brighten their life into attractive brightness.

(VII) Caring for children's diseases and creating a friendly environment for them:

We promoted “Dr. Red Nose” project with “Theatre De La Sardine” in 2016. Thanks to many aspiring partners, we formally established the first and the only professional clown doctor organization, “Dr. Red Nose,” which is dedicated to training and promoting professional clowns to service in the hospitals. It aims to continue to spread laughter in pediatric wards in northern, central and southern Taiwan to reduce the nervousness and pressure experienced by sick children, family members and medical teams through each dedicated interactive performance so that the sick children can find the strength to cope with their illness and regain their passion for life.

The Company supports Dr. Red Nose to serve in hospital and more than 30 thousand of sick children with cancer, family members and medical teams have benefited from the project. In the Future, the Association will continue to look for more resources and hospital cooperation, and expand the performance of professional clown doctors to more groups in need. We hope to fill the cold medical space with warmth and laughter. Meanwhile, we will also promote the professional clown certification system in Taiwan through lectures, international exchange workshops, and other educational promotion to arouse the public’s attention and improve Taiwan’s software medical environment.

II. Environmental protection

The Company focuses on two priorities in environmental protection: low-carbon services and ecosystem benefits. We seek to integrate internal and external resources, advocate the importance of environmental protection and enhance our own and the industry’s competitiveness. We strive for the vision that a service company can also stand at the forefront of environmental protection and sustainability. The Company includes climate change into the list of significant operational risks. We closely monitor the trends and development of global climate change, in order to analyze our business risks. More importantly, we seek to explore business opportunities, respond to customer needs and develop kinds of green and innovative services accordingly.

In the face of the climate change and worsening of the environments on earth, we here at the Company have reminded us into the solid role as a dedicated corporate citizen. In the regard to

environmental protection to cherish recourses on earth, we have virtually spared no effort at all. Since actions speak louder than words, the environmental protection should start from our own efforts. Other than the efforts to strictly comply with the environmental protection related rules and regulations enacted by the government, we have established cross-department “Green Management Task Force” to launch promotional propaganda on energy saving policy, evaluation of the environmental protection energy saving performance. Here at the entire Sinyi Conglomerate, we definitely control environmental protection procurement for water, electricity facilities, building materials, office facilities, through hands-on participation with substantial acts into a formidable power to safeguard environmental protection for earth. On the other hand, though we focus on real estate agent services without substantial products in production, we have spared no effort to boost “Green Services” to minimize carbon discharge. For many years’ efforts, in 2018, the Company was honored with *Low-Carbon Product Award*, *Carbon Label* and *Carbon Reduction Label* by the Environmental Protection Administration, Executive Yuan that make the Company the only one real estate agency to obtain these certifications and give affirmation of the Company’s insistence of pursue of environment protection. In the future, we will enforce integration of the resource and improve the recycle of salvage. In order to have an eco-friendly society and consumption less energy, we will always be engaged in any behavior which benefit to the both the national economic growth and protection. Hopefully, we may play an important role in protecting our earth.

(I) Green management strategies

1. Enactment of rules for environmental protection acts

In the “Behavioral Rules of Sinyi Conglomerate” enacted and promulgated by Sinyi Conglomerate in 2010, we expressly enacted relevant behavioral rules toward general public in the society and on environmental protection: “The Company shall endeavor to utilize all resources more efficiently and use renewable materials which have a lower impact on the environment to allow sustainable use of global resources” and “The Company takes into account the effect of its operations on ecological efficiency, promotes and advocates the concept of sustainable consumption, and conducts operations of research and development, procurement, production, activities, and services etc., in accordance with the following principles to reduce the impact on the natural environment and human beings from operations of the Company”. Through such sound guidelines, both Sinyi Conglomerate and our entire staff members could put into implementation thoroughly green environmental protection lifestyle with hands-on practices to successfully duplicate the hands-on experiences onto everybody. Sinyi Conglomerate is widely believed the very role model in the energy saving and environmental protection. We begin to examine our footprint, establishing the FC-PCR (carbon footprint product category rules) and apply the carbon footprints tag. No other real estate company in Taiwan has published any reports on FC-PCR (carbon footprint product category rules) until we released our first report in 2016. We were also certified by the Environmental Protection Administration in December, 2016 for our carbon reduction label and became the first real estate brokerage firm in the world that calculates carbon footprints.

Being in the real estate agency service industry, our work makes use of a substantial quantity of paper for documentation and promotional materials. Since 2016, we focused on reducing our paper usage, resulting in a reduction in carbon emissions per transaction at the raw materials stage from 273.33 kgCO₂e to 226.89kgCO₂e with the carbon footprints decreased by 10%. In 2017, we reduced carbon emissions per transaction at the raw materials stage from 226.89kgCO₂e to 158.80kgCO₂e and the carbon footprints per transaction even decrease by 30%.

2. Compliance with environmental rules

Here at Sinyi Conglomerate, we have especially put energy saving & carbon reduction and environmental protection issues into the business operation plans. In the future, we shall

strictly stick to the environmental protection standards prevalent in the international community, set up sound energy management audit and management systems. On the major energy saving contents, we shall conduct analysis on the performance benefit, set future environmental protection goals and measures. Internally, we shall strengthen our environmental protection capability by means of autonomous environmental protection and development of green services.

3. Put into implementation thoroughly environmental protection and minimize waste of energy internally

Here at Sinyi Conglomerate, we have spared no efforts in environmental protection. In our real estate agent services where we do not manufacture substantial products, we have put into implementation thoroughly our responsibility toward the society with efforts in environmental protection on a prolonged basis. Through minimization of waste of resources internally, e.g., in the Headquarters Mansions, we introduced to Unite Energy Management system from Japan, set up multipoint video conference system to help Sinyi teammates reduce the traffic rush on the way, adopt water-saving faucets, T5 light tubes and LED lamps for all branches, carry out shut-off campaign in time, set air conditioners at the optimal temperature, use double-sided printing. All Sinyi teammates must top identity card to the card reader of copying machines before the documents could be printed out. Meanwhile, we try to minimize the usages of paper cups and disposable tableware; appropriately classify garbage and recycle kitchen residues, encourage Sinyi teammates to put into implementation thoroughly energy saving & carbon reduction, and carry out office environment with green planting on the rooftops to create optimal environment for living. In addition, we have established a new O2O system to integrate online and offline information, and plan to apply to both agency and escrow business. In addition to planning to improve the core competitiveness of the business through system interconnection, we can also use the new O2O application platform (mobile version, official website for PC, APP). The launch of the official website and APP is an opportunity to optimize the use of the internet and to divert users to offline services, thereby reducing the paper and various energy losses that may be caused by business activities.

The Company uses carbon footprint, electricity and water consumption per person as our carbon performance indicator. We aim to lower our carbon footprint by 10%, electricity consumption per person by 10%, water consumption per person by 15% by 2025 (benchmark year: 2017). In 2019, we have reduced our carbon footprint by 28.89%, electricity consumption per person by 16.63%, water consumption per person by 21.6%, respectively.

【Performance of energy saving & carbon reduction by the Company with various indices in comparison】 :

Contents	Year 2019	Year 2018	Increase/ decrease rate
Number of stores	450shops	435 shops	3.45%
Aggregate total of annual power consumption (Headquarters Building and branch stores)	10,929,029 Kilo watt hours	11,096,831 Kilo watt hours	-1.51%
Aggregate total of annual water consumption (Headquarters Building)	69,373 kilo cubic meters	69,619kilo cubic meters	-0.35%
Aggregate total of annual cycling (Headquarters Building)	13,260 kg	14,178 kg	-6.92%

Year	Year 2019	Year 2018	Increase/ decrease rate
Total number of the Company's employees (exclusive of affiliate)	4,745	4,339	9.36%
Kilowatt hour per person of the Company	2,303.3 kilowatt hour	2,557.5 kilowatt hour	-9.94%
water consumption per person of the Company	14.62 kilo cubic meters	16.04 kilo cubic meters	-8.88%

We actively imported the system for greenhouse gas inventory and management and have checked the greenhouse gas (GHG) of the Company's headquarters. Since 2020, the Company engaged the BSI British Standards Association to conduct ISO 14064-1 greenhouse gas verification of 2019 in accordance with the "ISO 14064-1: 2018" greenhouse gas inventory standard requirements. The total emissions of direct greenhouse gas emissions (category 1) and indirect emissions (categories 2 to 6) of the Company's headquarters buildings and branch stores in 2019 were 11,539.509 metric tons of CO₂e. In 2019 total GHG emissions in all categories of greenhouse gas emissions are shown in the table below. The figures are under the application for examined:

【2019 Year Greenhouse Gas, (GHG) facts of Sinyi Headquarters and Branches】 :

	CO ₂	CH ₄	N ₂ O	HFCs	PFCs	SF ₆	NF ₃	Total emission equivalent
Emission equivalent (ton,CO ₂ e/year)	10,882.9205	393.9819	0.7474	261.8595	-	-	-	11,539.509
(%)	94.31%	3.41%	0.01%	2.27%	0.00%	0.00%	0.00%	100.00%

	category 1	categories 2 to 6	Total emission equivalent
	Direct emission	Indirect emission	
Emission equivalent (ton, O ₂ e/year)	678.8258	10,860.6835	11,539.509
(%)	5.88%	94.12%	100.00%

Categories		Descriptions of equipment & facilities	Descriptions of fuel
Category 1(Direct Greenhouse Gas, (GHG) discharge, the former Scope 1)	Direct emissions from direct combustion	Emergency generators	Diesel
	Direct emissions from mobile combustion	Company cars	Gasoline used by company cars
	Direct fugitive emissions from greenhouse gas emissions from anthropogenic systems	Septic tanks	Liquid manure
		Air conditioning equipment	R-134a/R410a/R600a
Category 2 (imported energy: the former Scope 2)	Greenhouse gas emissions from indirect emissions from imported electricity	Other unclassified facilities	Purchased electricity
Category 3 (Transporation)	Greenhouse gas emissions from transporation	Upstream transport and cargo distribution	Material transporation for real estate brokerage services
		Commuting employees	Motorcycles
		Business Travelling	Airplane/HSR/car/Taiwan Railway
Category 4 (Products used)	Greenhouse gas emissions from products used	Emissions from purchased goods	Production of material for real estate brokerage services
		Emissions from the disposal of solid and liquid waste	Waste disposal and removal from real estate brokerage services
Category 5 (use of products)	Greenhouse gas emissions from use of products	Emissions of downstream leased assets	Electricity
		Emissions at the end of product life	Final disposal of supplies for real estate brokerage services

4. Implementation of green supply chains (ISO 20121)

Among the “Behavioral Rules of Sinyi Conglomerate”, we have expressly provided in the aspect of procurement: We shall treat all suppliers and contractors on an equal and impartial basis. All decisions on procurement shall be duly resolved exactly in accordance with the costs, quality, technology & know-how, delivery, efficiency, the suppliers’ financial standing and environmental protection factors. Externally, we have launched extensive promotional propaganda toward suppliers for implementation of green supply chain management. Meanwhile, we have put equivalent efforts to set up green service networks on the customer service terminal. Whenever

the Company's Agency Sales Department proposes to a construction firm, they should propose on the environmental protection basis, adopt green working approach or implement green architecture. As always, we should aim at the environmental protection oriented impairment as the preferential choice. The Company began implementing ISO 20121 Event Sustainability Management Systems and established a supply chain management process and forms in 2017. Starting in 2018, we have been requesting our suppliers to perform CSR self-assessments and conducting onsite questionnaire surveys, to evaluate the social impacts from the supply chain with regular and ad-hoc inspections and assistance to our suppliers. In 2019, 100% of our suppliers have signed letters of commitment to sustainability clauses. We also performed inspections on 232 out of 257 key suppliers, at a coverage rate of 90.27% and a pass rate of 100%. Meanwhile, a total of 649 onsite audits were carried out. No actual or potential negative impact was identified.

During our first roll-out of the CSR self-assessments in 2019, as the basis for further management of sustainable supply chains. In 2019, 100% of our procurements were local, totaling NT\$91,038 thousand. Among this, 38.6% was green procurement.

Not only do we help customers buy, sell houses and help them obtain optimal houses, but we do take into account customer needs in decoration, furnishing, cleaning, relocation and the like. Our Home Service department, therefore, selects and recommends only environmental protection oriented green suppliers to our customers through a solid selection mechanism.

5. Implementation of green procurement:

We have wholeheartedly implemented green procurement. We have joined Environmental Protection Administration, Executive Yuan and Department of Environmental Protection, Taipei City Government in their "Desire of Non-government Environments and Groups in Green Procurement" and officially signed the "Desire of Non-government Environments and Groups in Green Procurement". Further with hands-on acts, we have put forth maximum possible efforts to promote green consumption of all branches and the Headquarters Building and to purchase green badge products. In the promotional propaganda of green badge products, we have intensified the procurement with environmental protection emblems and publicize the adoption of green environmental protection and energy saving products. During 2012 ~ 2019, for nine years in a row, we have been awarded by the Taipei City Government "Best Green Procurement Performance Company", and for five times, we have been awarded by the Environmental Protection Administration, Executive Yuan "Outstanding Green Procurement Company." In accordance with 2018 carbon reduction performance, the Company received the 2018 *Low-Carbon* Product Award from Environmental Protection Administration, Executive Yuan. In addition, the Company was *nominated* and selected as one of finalists of Asia Best Carbon Disclosure when participating in Asia Sustainability Reporting Awards 2018 (ASRA).

6. Implementation of overall E-procedures and green service research & development:

As early as 2000, we started implementation paperless office policy. Since 2009, all Sinyi staff members have used electronic means instead of previous paperwork whenever they apply for leave of absence, procurement and bill for payments. Externally, all fax messages have been served by means of e-mail after scanning in an attempt to minimize the waste with use of paper. Meanwhile, we have spared no effort to engage in green service research & development and continually launch a variety of online innovative services, notably "viewing a house online through a cell phone" which has enabled us to effectively conserve paper consumption, satisfy the need in customized information and tremendously boosted efficiency in services. So far our green service extensively covers the range of information search, evaluation of information as well as post-deal after-sales services, featuring efficacy, convenience and environmental protection. In 2019, we initiated a digital system for landlords to request and sign up rental services. This does not only reduce the use of papers and the carbon footprint associated with

the delivery and transport of papers, but also enhances our efficiency and effectiveness of our customer services.

7. Installment of ISO14001 environmental management system to improve energy efficiency

In view of changes in climate having become increasingly significant, the Company has continually apply ISO50001 *energy* management systems, ISO14001 environment management systems and ISO20121 Event *Sustainability Management System to our business* to ease and adjust impacts caused by climate changes. We not only reviewed our related energy policies and management procedures but also undertook a full-scale review of our energy and air conditioning equipment and then conducted preliminary analysis of the use status of the energy-consuming equipment to propose energy-saving methods value their benefit. The Company sets a few evaluation of energy-saving proposals as short-term targets to implement more green innovative services which can increase consumer awareness about energy conservation and carbon reduction, reduce business costs and improve business competitiveness to achieve the goal of sustainable development.

(II) Targets of environmental protection:

8. Green procurement, environment friendly policy:

The Company has put forth maximum possible efforts to promote green procurement. For instance, in all procurement needs, we choose pollution-free appliances labeled with environmental protection emblems or office facilities labeled with power conservation emblem as far as possible. We also set up energy managerial system to make energy related information transparent to effectively intensify control over the use of energy and minimize electricity bills and carbon emissions.

9. Implementation of waste minimization and recycled green:

We have put forth equivalent efforts to minimize garbage output and recycle resources. For instance, we have set a policy where under Sinyi employees should get ready their own cups and tableware, classify garbage outputs to accomplish the goal of garbage minimization, cherish resources on earth. In response to the government's environmental protection policy and providing a healthy workplace for colleagues, the Company branches use a lot of green building materials for the decoration of the Company's branches with environmental labels, such as: moisture-proof plasterboard, water-saving toilets, lighting fixtures, and paints.

Circular economy is currently at the forefront of our pursuit for ecosystem benefits. Sinyi is constantly exploring ways in our daily operations to implement measures to contribute to the circular economy. We believe that given the frequent contacts with people, in-depth efforts in communities and extensive interactions with residents, realtors can play a pivotal role in promoting shared economy in replacement of private ownership. We organize a community service to lend non-essential items to community residents. The lineup includes electric tools, large suitcases and other items not in frequent use but important when necessary and could be different from one branch to another depending on the requirements of local people. Anybody in the neighborhood can approach us and ask to borrow these items at any time. This is to establish a sharing culture and a sustainable way of life. We have rolled out this service at some branches, hoping to encourage waste reduction and promote environmental protection.

10. Energy saving & carbon reduction and energy conservation

In Sinyi Conglomerate amidst the real estate agent services without substantial act of manufacture, the costs of water, electricity bills and photocopying fees account for nearly 50% of the monthly outlay. Aiming at the aforementioned costs and fees, we have launched promotional propaganda and implementation for energy saving & carbon reduction to minimize the operating costs and boost efficiency of our services.

11. Green marketing and innovative services

In our promotion of green services, we attempt to minimize the consumption of paper used for DM purposes and to create and provide innovative environmental protection services to customers. Our efforts include notably pricing information provided through cell phone, real estate information provided by means of text messages or e-mail, execution of a contract by means of meeting via video system or such e-means amidst our multiple efforts as a dedicated citizen to earth. Just in recent years, we have further developed the technology & know-how available to brokers to guide customers to view their desired real estate through intellectual cell phones or tablets accompanied with their on-the-spot interpretation and services with integrated process. With such tremendous devices, our first-line teammates are well capable of rendering more powerful information system along with matchmaking services, with tremendous reduction of waste of paper and conservation of time which our customers used to waste amidst the traffic hassle and other costs. Meanwhile, we launched electronic version “Real Estate Guide Book” in combination with the aforementioned mobile devices which have helped tremendous reduction of photocopying costs.

In 2019, all of the Company’s domestic stores applied the digital publication tool for the green marketing.

(III) Risk identifications, actions and opportunities associated with climate change

The realtor industry does not produce significant carbon emissions, and none of the laws, regulations or protocols on GHG emissions governs the realtor industry. However, we believe we should pay extra attention to stakeholders because our customers only make few home purchases in their lives and we organize extensive marketing activities. Climate change is the most immediate and profound issue in the world. Taiwan, located in East Asia, has experienced a few natural disasters due to extreme weathers. Naturally, we cannot exclude ourselves from this problem.

The Company lists climate change as one of the risk management items. We continue to monitor and evaluate the effects of climate change on us and our stakeholders and formulate responding measures and actions accordingly. Please refer to the abovementioned (I) Green Management Strategies; (II) Targets of environmental protection for relevant opportunities.

1. Increasing difficulty in serving and higher operating costs:
2. The temperatures have been rising and summers are getting longer around the world, as a result of the greenhouse effect. Our sales people often need to work and sweat under intense sunlight when servicing customers. This is the reason why the Company has been promoting white polo short-sleeve shirts as our summer uniform. The purpose is to mitigate discomfort and unpleasantness of running about under the sun, to reduce staff turnovers and cut back on power consumption at our branches. In 2019, we have implemented the business casual dress code, in place of the previous requirement for business suits, long-sleeve shirts, vests and ties, in order to reduce power consumption and operating expenses at the headquarters and boost the level of satisfaction among our colleagues.
3. Rising concern from customers for energy efficiency and change in R&D activities:
4. Some of the Company’s subsidiaries are real estate developers. Given the effect of extreme climates, intelligence and energy efficiency have been incorporated in project design. Sinyi Jiating project in Shanghai introduced an energy recycling and reuse system in order to reduce the energy consumption of elevators. The same technique was also used by Shanshui Jiating project in Wuxi in 2019. Our development division also applies BIM (building information modeling) to reduce any waste of earth resources resultant from the repeated works due to errors in drawing and design.
5. Disruptions or reductions in capacity due to natural disasters such as floods and typhoons:
6. Natural calamities of all kinds will cause losses due to suspension of operations at our branches or construction of engineering works. The Company has established a crisis response team, to

prepare and take timely actions in the event of natural disasters and seek to protect personnel and minimize property losses and let the staff at branch stores help the community immediately to enhance trust and preference. In 2019, the crisis response team planned for necessary preparations for the arrival of Typhoon Lekima and Typhoon Mitag.

7. The Company voluntarily introduced the GHG inventory and management system for the headquarters building and over 400 branches in Taiwan. Please refer to (I) Green Management Strategies for details.

III. Commitment to customers:

- (I) We think before our customers do:

Building around the concepts of prevention in advance and comprehensive protection, the Company has cooperated with an insurance company to work out Guarantee Service of Safely Renting House since 2018. In consideration of landlords' concerns, the service will make landlords get this guarantee product paid by the Company in one year since the leasing date. If the specific risks happen in the house renting process, landlords will receive NT\$1 million dollars for the falling price loss of properties and up to NT\$50,000 dollars for cleaning fees. Indemnity insurance of loss from falling prices of house property caused by specific accidents *can* compensate landlords for a substantial partial diminution in value of the property arising out of unexpected accidents that the Company will pay all related insurance premium. Thus the insurance can help reduce landlords' house loss caused by particular accident risks and offer full rental protection. In 2019, the Company broadens the protection netting by using cross-industry cooperation to combine the advantage of insurance product from property insurance company and announces insurance coverage project for stores and commercial buildings. Those stores and commercial buildings which the Company helps conclude the lease contract from August 15, 2019 to August 31, 2020 and meet the specific criteria are granted to have one-year commercial fire insurance coverage amounting to a maximum of NT\$5 million dollars. The Company will afford the insurance premium and in case the fire occurs, the insurance will help transform the damage loss of lessor and the landlord will receive the compensation for the building damage as well in hopes of constructing omni-directional preventive and protective services for safe house rentals, not only offering the original housing repair and maintenance services but also differentiating us in the rental market to successfully segment the housing rental market to further move toward creating comprehensive real estate services in the future.

- (II) Innovative services to upgrade the real estate agent services:

High level of services is conducive to upgrade the values for Sinyi Conglomerate in its existence. Since the very beginning when Sinyi Conglomerate came into being, we have continually and unceasingly tried to build and uphold human-oriented Sinyi motto in upgrading quality of services. In the initial founding phase, we took the lead to adopt the "Ownership survey before transaction", and subsequently, launched a series of "ownership verification system", "payment assurance system", "Scrivener (Title Agent) Review System" and "Leak-proof warranty system", "Production of Real Estate Guide Book" and such overall assurance system. Further subsequently thereafter, aiming at potential problems in a building built with cheap, unreliable concrete which contains a high quantity of sea sand, radiation-contaminated building, leakage house and transaction security, we presented "Four Major Assurance Services" to help customers further minimize potential risks in house purchase. In 2011, we further took the lead to launch "assurance against potential suicide or murder involved house" to further minimize the house purchase risks. In 2019, we took a step further by launching Timber Decay Protection Cover, an innovative service in Taiwan, in response to the current absence of relevant laws and regulations on any dispute arising from damage caused by worms and make home buying an even more assured experience for consumers.

As we have tried by all available means to help customers buy, sell houses and build their new

homes, we have noticed the very key issues amidst the complicated expertise in home furnishing and decoration. Very often the mixed up level of furnishing service providers might lead to impairment to customers. We, therefore, set up the Home Service Center in 2012. In our consistent strict selection attitude, we strictly screened and selected trustworthy service providers to serve customers with their needs in refurbishment, relocation and warehousing, American home furnishing services, resource recycling and anti-pest services, to assure customers to enjoy carefree home living in blessed warm housing.

To provide better and more accessible services, the Company works with the state-of-the-art information technology and continues to develop new and innovative digital services. This is driven by the diligence of our colleagues and the desire to serve our large clientele. We have set up a business research division to work with SINYI Research Center for Real Estate, College of Commerce, National Chengchi University to publish annual books of the real estate market and compile Sinyi House Price Index as a reference to the trajectory of property prices in Taiwan. Meanwhile, the Company publishes Sinyi Real Estate Review on a quarterly basis by providing relevant stats and data on the demand and supply of the housing market and the key transactions in the metropolitan areas, as a reference for the change in the property market.

In 2018, the Company integrated the clients' desired services and information and announced the updated Sinyi app which can satisfy the buyers and sellers of the real estate to switch the information on the app easily through "instant search" to seize the complete information of house, "instant on-line chat" to have interaction with our salespersons and "instant push" to make the clients receive all the new information. The function of app will create the new model of service for real estate agency industry. In 2019, the Company expanded the functionality of online-to-offline conversions, combined TA3 and IM (instant messaging) at our branches and enhanced the voicemail and maintenance features in order to respond, manage and analyze all our digital information. "My Own App for property sales" launched by the Company marked the Taiwan realtor industry's first move toward mobility.

【Innovative services and systems launched by Sinyi Conglomerate in 5 years】

Year	Innovative services and system
Year 2019	<ul style="list-style-type: none"> ● We launched Timber Decay Protection Cover, an innovative service in Taiwan, in response to the current absence of relevant laws and regulations on any dispute arising from damage caused by worms and make home buying an even more assured experience for consumers. ● Online real-time notification & maintenance mechanism: With the extension of online-to-offline conversions functionality, integration of TA3 and IM (instant messaging) at our branches and enhancement of the voicemail and maintenance features, we are able to respond, manage and analyze all our digital information. "My Own App for property sales" launched by the Company marked the Taiwan realtor industry's first move toward mobility. ● Community activities and connecting system: this module assists our branches in the organization of community events and records the effectiveness of these initiatives. The connecting system helps our personnel to get to know local people and businesses, so that local people and businesses get to know us too. ● Digitalization of rental services: This is developed and implemented in stages, as a basis for the digitalization of property sale and purchase services.
Year 2018	<ul style="list-style-type: none"> ● Launch 'Guarantee Service of Safely Renting House' focused on reducing

Year	Innovative services and system
	landlords' loss from house property caused by specific accidents risks, offering more complete lease guarantee in hopes of establishing an omni-bearing lease safety and protective services. <ul style="list-style-type: none"> ● Announcement of brand new function of Sinyi app with “instant search” , “instant on-line chat” and “instant push” which have interaction with our salespersons on line and will create the new model of service for real estate agency industry..
Year 2017	<ul style="list-style-type: none"> ● Provide innovation service of “Decoration and Renovation Expert”, to reduce disputes in the decoration market and safeguard the rights and interests of both parties and establish a brand new system for decoration industry. ° ● We provide the innovation service “” ● Introduced the ISO 20121 Event Sustainability Management Systems, increasing supplier spot check rate and working to strengthen the implementation of human rights terms. ● Introduced the ISO 50001 energy management system to improve the efficiency of energy use.
Year 2016	<ul style="list-style-type: none"> ● Upgrade the surface of the 3D interactive viewings. Customer can change the viewing angles and view the properties just as in real.
Year 2015	<ul style="list-style-type: none"> ● Introduction of an innovative business model “the Sinyi O2O Platform”, a foray into E-Commerce.

In the future, we shall, as always, continually devise and render innovative services to further upgrade the quality in our real estate agent services. Through such Sinyi efforts, use of real estate agent services by consumers will take a mounting ratio in their transaction of real estate.

(III) Attentively listen to customers from their hearts

We, in particular, cherish customers' voices. Here at Sinyi Conglomerate, we have established special sectors (Customer & Legal Service Department and Digital Process Development Department) to assume the responsibility to solve and serve issues linked up with customers. Other than our efforts to conduct customer approval rate survey toward all customers who have retained our services and who have successfully accomplished deals through our real estate agent services, we try to use diversified, comprehensive and multifaceted channels to attentively listen to customers' voice. To Sinyi, each and every successful deal represents the very start of Sinyi services instead of a closure.

In order to listen to the true voice from the customers and to make Sinyi Realty Inc. the best real estate agent in the minds of customers, we do the survey twice in five months after the delivery of the transaction. In a result, we may take care of customers' use of the purchased house and assist them to solve any possible problems. We expect to enhance industrial service standards by our stricter standards and by our more attentive service.

【Channels through which Sinyi collects customer voices】

Customer approval-level survey through questionnaire	We conduct extensive surveys over customers who have used our real estate agent services and have achieved deals through our services for our satisfaction approval level.
Customer approval-level	We conduct sample check over customers as buyers through Internet or potential customers who contact

	Sinyi in person (by phone) about their approval-level.
Interview by phone and group symposiums on focus issues	We invite customers into face-to-face interviews on profound issues toward different services and development of new products.

Through aforementioned channels, we take the initiative to listen to customer voices from their heart. Besides, our customers are granted the 24-hour toll-free customer grievance service telephone 0800-211-922 or customer service telephone 0800-280-280 (Note: These phone numbers are provided through the business cards of Sinyi service teammates, contracts and prints); E-mail (sinyi@sinyi.com.tw) or Internet online 24-hour customer services to speak up their opinions and problems which are attentively managed through our designated personnel in real-time. Toward grievance and complaints voiced by customers, we have expressly enacted the settlement procedures, including the process of entertainment, classification of cases, assignment through electronic process, timeframe for settlement and follow-up management. All highlights and outcome of the settlement shall be recorded in detail.

IV. Cultivation of human resources

(I) Human resources represent the cherished partners to Sinyi

A service business is a business serving people amidst people. To Sinyi, human resources are the foundation of our business. More accurately speaking, Sinyi teammates would mean a partner instead of asset. We have tried by all means to have Sinyi teammates feel secured in their jobs, absolutely respected, concerned and cared. Here at Sinyi Conglomerate family, all employees feel to stand on a stable and equal position with the Company. As an encouraging result, all Sinyi employees have demonstrated their maximum possible potential and momentum to accomplish themselves amidst performance of duties to grow with Sinyi hand-in-hand, arm-in-arm. Among three backbones that have propped Sinyi to the success today, i.e., human resources, quality and performance, human resources constantly rank first. Only because Sinyi has owned proud human resources could Sinyi possibly offer quality and create proud performance. In the entire Sinyi Conglomerate, therefore, never have we ignored the importance of human resources cultivation. On the grounds of the respective responsibilities and powers, we have elaborately design the educational & training programs aiming at “managers” and “professional expertise”.

We call for added number of talented human resources to accelerate Sinyi growth. Under the hanging shock of low fertility, the Company launches in 2015 “new employees orientation programs in the workplaces”. Through the brand new policy in soliciting employees, Sinyi Conglomerate will get a tremendous volume of human resources available for screening & selection which is believed to virtually change the conventional relationship between the employees and management. Under such new policy, a newcomer who quits after having received probation for one month is offered with alternatives between NT\$50,000 base salary and NT\$50,000 job changeover fund where under that quit-minded employee will mull profoundly whether or not he or she will reconsider his or her capability and desire to become a Sinyi teammate. We firmly believe that under such policy believed as a subversion of classical tradition, those who choose to continually stay with the Company must be capable ones deserving further Sinyi cultivation into real talents in the mentality co-sharing Sinyi motto with pleasure to devote themselves to the Company. In the future, they should be the rosy talents to fulfill blessed Sinyi branches. Besides, such a policy would further help us fulfill the human-oriented Sinyi spirit. We believe more horizontal trades would follow suit to virtually change the entire society in the thought to hire human resources. Eventually, such a policy will create a more optimal and friendly employment climate toward the goals to fulfill Sinyi society.

The Company has long been committed to providing a good environment to ensure our employees’ employment safety and growth. From the view of person-oriented thinking, we give

balanced consideration to employees' financial situation, personal development and physical and psychological health management. As we have set *the direction for our efforts* in 'attracting topnotch talents' and 'creating friendly workforce,' the Company has driven the employee-centered policies to improve the working environment that makes the Company receive 2019 Asia Best Employer awarded by HR Asia Magazine of Malaysia.

(II) Integrated network for learning:

Here at Sinyi Conglomerate, there is not a shortcut to cultivate real estate talents. In this Sinyi family, we have devised and worked out integrated professional educational & training programs for heads in all levels and employees. The training curricula would include Sinyi business philosophy, quality of services and personnel rules and regulations wherewith, we instruct the guide them into sound values and attitude to serve consumers.

To back up Sinyi teammates to further grow and to enable Sinyi personnel in all levels to enjoy sound and comprehensive resources in educational & training programs, we have launched a variety of centralized training programs. Aiming at the chain system development, we have specifically focused on the on-the-job training programs where each and every Sinyi teammate is both a learner as well as a teacher. In the hands-on practices, the entire staff members as well as the management have jointly built a sound climate for learning in the master & apprentice learning system. Here at Sinyi Conglomerate, our educational & training programs have been mapped out in the following manner:

- On a regular basis, we sponsor "on-the-job training programs for employees" and "lifetime learning activities" every year.
- Every year, we sponsor hands-on learning curricula on newcomers to business and advanced training programs, advanced seminars for department heads and brokers in the medium and large scale divisions, and team with the industries with unique sandwich newcomer training programs in concert with the master & apprentice system to enhance Sinyi teammates in their expertise in an accelerated pace.
- With wholehearted efforts, we encourage Sinyi teammates to take nation-sponsored examinations for professional licenses and on-the-job training programs. For such purposes, we have provided diversified, comprehensive and multifaceted incentives to enhance Sinyi teammates in their professional competence.
- We have completed the "digitalization" of educational & training programs and intellectual know-how, set up digital learning platforms, strengthen "e-Learning" digital learning module, sponsor online curricula. Through such efforts, all employees are granted more flexible hours to learn through online system. Such policy helps us minimize the costs required for conventional educational & training programs and boost the performance in educational & training programs.
- We offer subsidiary for educational & training programs beyond Sinyi premises. With multiple incentives, we encourage employees to use their off-duty hours to advance their expertise and know-how, including such programs for master degrees, linguistic learning or other expertise. Toward all employees joining such educational & training programs outside Sinyi, we support with half of the tuition fees.

(III) Only vertically integrated business education in property management

In 2016, we entered a cooperation plan with Department of Finance, National Yunlin University of Science and Technology and Song Shan High School of Commerce and Home Economics. This initiative aims to develop the basic competences of young students in real estate, provide them with internships and formal employment based on reviews. The purpose is to integrate education with employment opportunities immediately after graduation. This scheme is the only collaboration in Taiwan between the industry and education institutions in the management and operation of real

estate, and it starts from vocational education, university majors to employment prospects. We particularly reserve half of the vacancies in this program for the students in an economic disadvantages because they need to work and study at the same time. After they have passed the assessment, they will be admitted to the real estate management stream in Department of Finance, National Yunlin University of Science and Technology, in preparation for their future employment. To enhance their practical experience, we also offer summer internships to provide them with the opportunity to learn about our operations, real estate appraisals, basic legal concepts, and selling and marketing.

For more details about Sinyi's implementation of entrepreneurial responsibility to the society, please surf the website below and refer to Corporation Sustainability Report for more information. <http://csr.sinyi.com.tw>.

Chapter Five. Capital Overview

I. Capital and shares

(I) Source of Capital (in most recent year and as of March 31, 2020)

Expressed in thousands of shares/thousands of New Taiwan Dollars (TWD)

Month/Year	Issue price (NT\$1 per value)	Authorized capital		Paid-in capital		Remarks		
		Shares	Amount	Shares	Amount	Source of capital	Paid by property other than cash	Other
06/2018	10	1,000,000	10,000,000	736,847	7,368,465	Capital increase by earnings re-capitalization 853,465 thousand NTD	Nil	Officially approved with Letter Tai-Zheng-Shang-I-Zi 10701074420 dated July 10, 2018

Expressed in Share

Kind of share	Authorized capital			Remarks
	Outstanding shares	Unissued shares	Total	
Nominal common share certificates	736,846,500	263,153,500	1,000,000,000	Listed stocks

(II) Structure of shareholders

March 31, 2020

Type of Shareholder	Government agencies	Financial institutions	Other juristic persons	Individuals	Foreign institutions and foreigners	Total
Quantity						
Number of shareholders	0	2	84	105	18,498	18,689
Shares held	0	1,922,327	469,382,929	36,152,350	229,388,894	736,846,500
Shareholding rate	0.00%	0.26%	63.70%	4.91%	31.13%	100.00%

(III) Facts of disperse of shareholding

March 31, 2020

Shareholding grading	Number of shareholders	Number of shares held	Shareholding percentage %
1 to 999	5,536	1,355,839	0.18%
1,000 to 5,000	8,306	18,348,119	2.49%
5,001 to 10,000	2,074	15,103,429	2.05%
10,001 to 15,000	915	11,240,305	1.54%
15,001 to 20,000	431	7,595,217	1.03%
20,001 to 30,000	460	11,204,455	1.52%
30,001 to 40,000	219	7,543,786	1.02%
40,001 to 50,000	149	6,627,801	0.90%
50,001 to 100,000	303	20,722,643	2.81%
100,001 to 200,000	167	23,308,989	3.16%
200,001 to 400,000	72	19,744,897	2.68%
400,001 to 600,000	24	12,148,421	1.65%
600,001 to 800,000	7	4,698,942	0.64%
800,001 to 1,000,000	3	2,508,040	0.34%
Above 1,000,001	23	574,695,617	77.99%
Total	18,689	736,846,500	100.00%

Note : As of March 31, 2020, the Company had not issued preferred shares.

(IV) List of key shareholders (The top shareholders in terms of shareholding ratios)

March 31, 2020

Major shareholders	Shares	Number of shares held	Shareholding ratio (%)
Sinyi Co., Ltd.		210,238,285	28.53%
Yu Hao Co., Ltd.		208,937,108	28.36%
The specially designated (earmarked) comprehensive trust account on employee shareholding of Chinatrust Commercial Bank for Sinyi employees		30,247,968	4.11%
Chou Chun-Heng		21,978,641	2.98%
Chou Chun-Hao		21,667,797	2.94%
Chou Ken-Yu		20,307,354	2.76%
Sinyeh Co., Ltd.		9,381,169	1.27%
Chou Chun-Chi		9,378,622	1.27%
Cathay Pacific Bank trusted to take custody of J-Ten Co., Ltd.		7,278,430	0.99%
Citi Bank (Taiwan) trusted to take custody of Norges Bank, Norway		7,260,887	0.99%
Total		546,676,261	74.20%

(V) Market price per share, net value, earnings, and dividends and other related information for the most recent 2 years.

Items/Year		2018	2019	As of March 31, 2020 (Note 4)	
Market price per share (\$)	Highest	44.8	33.70	32.00	
	Lowest	27.9	29.05	21.55	
	Average(Note 1)	36.57	31.67	27.20	
Net Value per share (\$)	Before distribution	14.88	14.76	-	
	After distribution	13.58	-	-	
Earnings per share	Weighted average shares (thousand shares)	Before retrospective adjustment	736,847	736,847	-
		After retrospective adjustment	736,847	736,847	-
	Earnings per share (\$)	Before retrospective adjustment	2.04	1.71	-
		After retrospective adjustment	2.04	(Note 2)	-
Dividends per share	Cash dividends (\$)		1.3	1.2(Note 2)	-
	Stock dividends (\$)	From retained earnings	-	-	-
		From capital surplus	-	-	-
	Retained dividends		-	-	-
ROI (Note 3)	PER		17.93	18.52	-
	Price-dividend ratio		28.13	26.39	-
	Cash dividends yield		3.55%	3.79%	-

Note 1 : Average market prices are calculated based on annual transaction amount and volumes.

Note 2 : To be finalized when the proposal of earnings distribution will be determined by resolution in the 2020 general shareholders meeting.

Note 3 : The calculation formula in this table above is as below:

(1) Price-earnings (P/E) ratio = Closing price per share averaged in the year / EPS.

(2) Price-dividend (P/D) ratio = Closing price per share averaged in the year / Cash dividend per share.

(3) Cash dividend yield = Cash dividend per share / Closing price per share averaged in the year.

Note 4 : As of the printing date of this Annual Report, there was still the latest quarter data of earnings per share (EPS) and net worth per share duly audited by the Certified Public Accountants as well as the market price per share which represents the price of the data of the current year as of the printing date of this Annual Report

(VI) The Company's dividend policy and fact of implementation of such policy

1. The dividend policy of the Company is to deliberately distribute dividends, in the light of present and future development plan, taking into consideration the investment environments, fund demands, and domestic competition status, as well as factors of interests of shareholders; provided. However, the amount of proposed earning distribution of current year may not be less than twenty percent of accumulated distributable earnings. In distributing dividends and bonuses to shareholders, the distribution shall follows:
 - (1) At least one percent distributed as the employee's remuneration that shall be distributed by stock or cash in accordance with the resolution of the board of directors, and the issuer shall include the subordinate company that meets certain conditions;
 - (2) The directors' remuneration is limited to one per cent;
 - (3) After deducting the first two balances, the dividends are distributed on the basis of the Company's best capital budget and the capital required meeting the capital budget, and the remaining portion distributes the cash dividend. Of which the cash dividend shall not be less than ten percent of the total amount of the dividends.
2. Allocation of dividend as proposed in the current regular shareholders meeting:
 - (1) For allocation of earnings of 2019, as officially approved by the Board of Directors Meeting on February 27, 2020, the cash dividend is determined to be NT\$884,215,800 dollars. As calculated by actual outstanding share number of 736,846,500 shares of the Company as of February 27, 2020, each share will be distributed for cash dividend of NT\$1.2 (the dividends which each stockholder receives will be rounded to dollar; total amount for fractional shares is recorded as other income of the Company).
 - (2) In accordance with the Articles of Association of the Company, the remuneration of the directors shall not exceed 1% of the assigned amount when the accumulative distributable surplus is allocated, and the employee's remuneration shall be at least 1% of the amount of the distribution. For the year 2019, the remuneration of the staff and the directors' remuneration shall be treated as the expenses while the amount is NT\$16,258,052 dollars and NT\$3,923,385 dollars, respectively paid in cash.

(VII) The impact of the issuance of bonus shares proposed in the current shareholders' meeting upon the Company's business performance and earnings per share (EPS):

Not applicable, as the Company does not make financial forecast public for 2020.

(VIII) Bonus to employees, remuneration to directors:

1. As expressly provided for in Article 20 of the Company's Articles of Incorporation, the percentages and scope of the bonus to employees and the remuneration to directors shall be in such a scope:
 - (1) At least one percent of the profit before remunerations to employees and directors shall be appropriated as remunerations to employees
 - (2) Not more than one percent of the amount of the above said profit before remunerations to employees and directors as remunerations to directors.
2. The grounds to estimate the bonus to employees and remuneration to directors and supervisors in the present term, grounds to allocate stock bonus; and the accounting handling for a discrepancy between the amount of actual allocation and the number of estimates:

The Company estimates the bonus to employees and remuneration to directors in accordance with the Company Act as amended and the Company's Articles of Incorporation. The accrued employees' compensation and the remuneration to directors were based on the net profit before employees' compensation and remuneration to directors. The percentage of employees' compensation was adopted in accordance with

the Company's Articles of Incorporation, while the accrued remuneration to directors was estimated based on the fixed amounts. Material differences between these estimated amounts and the amounts proposed by the board of directors on or before the date the Company's annual consolidated financial statements had been authorized for issue are adjusted in the year the bonus and remuneration are recognized. If there is a change in the proposed amounts after the date the Company's annual consolidated financial statements had been authorized for issue, the differences are accounted for as a change in accounting estimate in the following year. If a share bonus is resolved to be distributed to employees, the number of shares is determined by dividing the amount of the share bonus by the closing price (after considering the effect of cash and stock dividends) of the shares on the day immediately preceding the shareholders' meeting.

Information of the bonus to employees adopted by the board of directors :

- (1) Amount of bonus to employees and remuneration to directors to be allocated: As officially resolved by the Board of Directors Meeting on February 27, 2020 for allocation of the remunerations to employees came to NT\$16,258,052 dollars and remuneration to directors came to NT\$3,923,385 dollars, the same as those accounted for in 2019.
 - (2) Percentages of the amount proposed for remunerations to employees in stocks proposed to the net earnings after tax shown through the individual or respective financial reports and the aggregate of bonus to employees: In 2019, the Company did not propose to allocate stock bonus to employees.
3. Bonus to employees, bonus to directors actually allocated in the preceding year:
- As officially resolved by the Board of Directors Meeting in 2019, the earning allocable as bonus to employees in cash for 2018 came to NT\$20,476,234 dollars and the remuneration to directors came to NT\$3,908,500 dollars without any gaps from the amounts actually allocated in the wake of being resolved in the shareholders' meeting and the same as those accounted for in 2018.

(IX) Facts of the Company's stocks repurchased by the Company : Not applicable

II. Issuance of corporate bonds :

Categories of corporate bonds	Unsecured corporate bonds in Term 103-1	Unsecured corporate bonds in Term 107-1	Unsecured corporate bonds in Term 107-1
Date of issuance (handling)	06/27/2014	05/28/2018	05/28/2018
Face amount	NT\$1,000,000	NT\$1,000,000	NT\$1,000,000
Venues of issuance and transaction (Note 3)	Taiwan	Taiwan	Taiwan
Price of issue	To be issued at 100% of fact amount	To be issued at 100% of fact amount	To be issued at 100% of fact amount
Aggregate total	NT\$3,000,000,000	NT\$700,000,000	NT\$1,900,000,000
Interest rate	1.48% per annum	0.92% per annum	1.07% per annum
Duration	5 years, to be mature on 06/27/2018 and 06/27/2019	3 years, to be mature on 05/08/2021	5 years, to be mature on 05/28/2023
Guarantor	Nil	Nil	Nil
Trustee	Trust Department, Bank of Taiwan	Trust Department, E-Sun Commercial Bank	Trust Department, E-Sun Commercial Bank
Underwriter	Yuanta Securities Co., Ltd.	E-Sun Commercial Bank and Yuanta Securities Co., Ltd.	E-Sun Commercial Bank and Yuanta Securities Co., Ltd.
Certifying Attorney-at-Law	Attorney-at-Law Kuo Hui-Chi of I Cheng Associated Attorneys-at-Law Office	Attorney-at-Law Kuo Hui-Chi of I Cheng Associated Attorneys-at-Law Office	Attorney-at-Law Kuo Hui-Chi of I Cheng Associated Attorneys-at-Law Office
Certifying Certified Public Accountant	Deloitte Touche Tohmatsu Limited Certified Public Accountants Yang Min-Hsien, Wang Tzu-Chun	Deloitte Touche Tohmatsu Limited Certified Public Accountants Shyu Wen-Yea, Lai Kwan-Chung	Deloitte Touche Tohmatsu Limited Certified Public Accountants Shyu Wen-Yea, Lai Kwan-Chung
Terms of reimbursement	1. Terms of interest payment: Payable based on the face interest rate, on an annual basis, based on simple interest rate. 2. Terms of reimbursement: With 1/2 reimbursement respectively upon expiry of the 4 th and 5 th years	1. Terms of interest payment: Payable based on the face interest rate, on an annual basis, based on simple interest rate. 2. Terms of reimbursement: upon expiry date.	1. Terms of interest payment: Payable based on the face interest rate, on an annual basis, based on simple interest rate. 2. Terms of reimbursement: upon expiry date.
Outstanding principal	NT\$1,500,000,000	NT\$700,000,000	NT\$1,900,000,000
Clauses for redemption or reimbursement before maturity	Nil	Nil	Nil
Restrictive terms	Nil	Nil	Nil
Title of credit grading institution, date of grading and result of grade	Taiwan Ratings Corporation graded the Company at twA on March 28, 2014.	Taiwan Ratings Corporation graded the Company at twA on March 22, 2018.	Taiwan Ratings Corporation graded the Company at twA on March 22, 2018.
Other auxiliary rights	Nil	Nil	Nil
Regulations on issuance, conversion, exchange or subscription, terms of issuance and potential dilution and the impact upon the current shareholders' equity	Nil	Nil	Nil
Name of the custodian delegated for the exchange target	Nil	Nil	Nil

Note: NT\$1.5 billion dollars were due and repaid in June 2018 and 2019, respectively.

Categories of corporate bonds	Unsecured corporate bonds in Term 107-2	Unsecured corporate bonds in Term 108-1
Date of issuance (handling)	07/27/2018	11/28/2019
Face amount	NT\$1,000,000	NT\$900,000
Venues of issuance and transaction (Note 3)	Taiwan	Taiwan
Price of issue	To be issued at 100% of fact amount	To be issued at 100% of fact amount
Aggregate total	NT\$1,900,000,000	NT\$900,000,000
Interest rate	1.05% per annum	1.25% per annum
Duration	5 years, to be mature on 7/27/2023	10 years, to be mature on 11/28/2029
Guarantor	Nil	Nil
Trustee	Trust Department, E-Sun Commercial Bank	Trust Department, E-Sun Commercial Bank
Underwriter	E-Sun Commercial Bank and Yuanta Securities Co., Ltd.	E-Sun Commercial Bank
Certifying Attorney-at-Law	Attorney-at-Law Kuo Hui-Chi of I Cheng Associated Attorneys-at-Law Office	Attorney-at-Law Kuo Hui-Chi of I Cheng Associated Attorneys-at-Law Office
Certifying Certified Public Accountant	Deloitte Touche Tohmatsu Limited Certified Public Accountants Shyu Wen-Yea, Lai Kwan-Chung	Deloitte Touche Tohmatsu Limited Certified Public Accountants Shyu Wen-Yea, Lai Kwan-Chung
Terms of reimbursement	1. Terms of interest payment: Payable based on the face interest rate, on an annual basis, based on simple interest rate. 2. Terms of reimbursement: upon expiry date.	1. Terms of interest payment: Payable based on the face interest rate, on an annual basis, based on simple interest rate. 2. Terms of reimbursement: upon expiry date.
Outstanding principal	NT\$1,900,000,000	NT\$900,000,000
Clauses for redemption or reimbursement before maturity	Nil	Nil
Restrictive terms	Nil	Nil
Title of credit grading institution, date of grading and result of grade	Taiwan Ratings Corporation graded the Company twA on March 22, 2018.	Taiwan Ratings Corporation graded the Company at twA on March 25, 2019.
Other auxiliary rights	Nil	Nil
	Nil	Nil
Regulations on issuance, conversion, exchange or subscription, terms of issuance and potential dilution and the impact upon the current shareholders' equity	Nil	Nil
Name of the custodian delegated for the exchange target	Nil	Nil

III. Issuance of preferred shares: Not applicable

IV. Issuance of overseas deposit receipt certificates (DRC) : Not applicable.

V. Issuance of employee stock option certificates: The Company's employee stock option certificates were already mature on March 10, 2011.

VI. Restriction upon employees in rights over new shares: Not applicable.

VII. Merger/acquisition (M&A) or inward transfer of other firms' new shares: Not applicable.

VIII. Implementation of capital utilization plans: Not applicable.

Chapter Six. Operational Highlights

I. Highlights of business operation

(I) Scope of business operation:

Key contents and major products covered within the business operation:

(1) Taiwan realty business and related services sector:

The Company and some of its subsidiaries primarily engage in real estate broking agency and selling agency, as the as the brokerage agency for leasehold and sales of real estate. The contents of Sinyi services include leasehold and sales breakage for second-hand residences, offices, workshops, land, parking facilities and agency for presale houses in whole package, unsold houses and individual brand new finished houses. Due to business requirements, we have set up more than 450 directly-operated business premises and service strongholds in major metropolitan areas in Taiwan, and have further expanded our service base to Shanghai, Suzhou and Hangzhou of Mainland China, Hong Kong, Tokyo in Japan, and Kuala Lumpur in Malaysia to provide more quality services.

(2) Real Estate Development:

The Company reaches out to include real estate development business, with our subsidiaries, Sinyi Development Inc., Sinyi Real Estate (Shanghai) Limited and Jiu Xin Estate (Wuxi) Limited which are real estate developers and mainly operating in household construction and rental business, with ordinary households and part of integrated business and office floors as main products of development and construction.

As the end of 2019, more than 60% of “SinyiQian- Shi” project, located in Tianmu, Taipei City, with a total of 21 sellable units, had been sold; furthermore, more than 94% of the first stage of Project “SinyiJiating”, located in Jiading District, Shanghai City, with a total of 1,109 sellable units, had been sold. Both projects contribute to our top line with NT\$ 3.644 billion dollars and NT\$ 1.688 billion dollars in 2018 and 2019, respectively. The pre-sale for Project Sinyi “Jiahe” of Sinyi Development Inc. and Project “ShanshuiJiating” of Jiuxin Real Estate Limited has been launched. As the end of 2019, the sales rates of pre-sale had reached 30% and 3% respectively.

As the end of 2019, the consolidated operating revenue of the Company and its subsidiaries from the real estate agency services and those from real estate development the Company and its subsidiaries are NT\$10.750 billion dollars which is 86% and NT\$1.688 billion dollars which is 14%.

1. Our effort in service innovation

(1) Real estate brokerage Business:

Since the Company was founded, we have been constantly innovating on our service menu and reengineering our procedures by focusing on customer needs. In 2019, the Company further expanded their protection network and adopted a strategic cooperation model with various industries, which integrated the various advantages of property insurance products, to jointly launch “Special Projects on Retail Store Protection”. In 2019, the Company adopted a strategic cooperation model with various industries to jointly launch “Special Projects on Retail Store Protection”. In the same year, we also pioneered the “Prevent Damage by Pests Guarantee Services”, designed to cover the various pest risks, where as the current regulations have no clear standards concerning pest damage disputes. These services not only offer a more comprehensive and complete protection, but also further promote the quality of the Company’s home buying and selling services.

In addition, with digital new waves, we will enhance the friendliness of our webpages for mobile devices by offering a simpler and more intuitive user interface and improving the

contents of the website. New features include “Add to favourites”, “Browsing history”, “Information subscription and sharing”.

Following the launch of the revised “Sinyi app” in 2018, the official Sinyi website, which centered on customer experience and the connection of physical store as the core, was revised and launched in 2019. The revision not only made the O2O (Online to Offline) services more complete, it also integrated the store's efficient virtual mobile assistance (Top Agent3) and Instant Messaging (IM) to improve the backend message and maintenance mechanism, so that the network resources may respond, and be managed and analyzed, in a timely manner. Furthermore, the revised app also assists the regional stores in their organizing of community activities and recording the results, developing community activities and contact systems, and helps in the understanding of people and business conditions. In 2020, we will continue to optimize official website and mobile device user interface for home buying/selling, as well as improve the digital functions of Top Agent3.

Looking into the year 2020, the Company’s brokering business, in addition to persistently providing real estate transaction services with better quality, will focus on “community services” integrate in ordinary lives of community residents, and do the utmost to offer all kinds of services needed daily to their satisfaction. After going through the three stages of “Knowing people, to be known, to be trusted”, the Company would naturally become an indispensable good hand of a community and a long-term trustworthy relationship is thus built. Through this approach, the Company’s concept of “placing righteousness before profit” is completely fulfilled. Therefore, the Company will more actively integrate online and offline service experiences and its subsidiary, Yowoo Technology Inc.(“Yowoo”), has developed “Community Helper” app aimed at helping community residents to enjoy better community living quality. In addition to the launched app to enable community residents to pay management fee online, the scope of cooperation among famous businesses of different trades and local shops will be expanded in order to integrate more convenient living services. At the same time, “Community Helper” app will integrate community approaches and provide opportunities of interaction and exchanges among community residents. Digital platform to announce community activity information is also provided in order to further a greater harmony as well as friendship among community residents.

(2) Aspect of Real Estate Development Business:

In order to consistently expand its real estate development business, Sinyi Development Inc. subsequently acquired land on both sides of the 435 Special Artistic District in the Banqiao District, New Taipei City in 2017. This land’s development, with such exceptionally good geographic location, may be integrated with the artistic characteristics of the said special district. As efforts are made to promote the relevant community activities, seeds of good will of a community and general goodness are being sowed. This development will help create a local heritage building, with a strong cultural atmosphere and promote the building of communities, and further promote prosperity for the newly-redeveloped zone. One of the projects, Sinyi Project “Jiahe” was open for sale first in the third quarter of 2019; Project Sinyi “Jiapin” will be open for pre-sale, in order to be in sync with the sales rhythm of “Jiahe”, at the proper timing for the pre-sale process. The Project “ShanshuiJiating” of Wuxi will further extend design ideas of Project “SinyiJiating” of Shanghai and incorporate community building elements in construction plan and a landmark housing project and community will built. The said project will be promoted and sold in the fourth quarter of 2019, and the ongoing sale will continue.

(II) Profile of the industry:

1. Progress courses of development:

(1) Taiwan realty estate brokerage business and related services sector:

In order to stabilize the housing market, the government has gradually curtailed speculative transactions through measures such as tightening mortgage availability and changing the taxation system, actions which have resulted in a significant decline in the transaction volume of the housing market in the last few years. The policy of registry of the actual prices in the deals was put into enforcement in August 2012. That policy would be conducive to cause the real estate transaction more transparent and the actual prices have become the key reference to public in house purchase.

Today, nevertheless, as networks have virtually played an indispensable role in each and every household, more and more house buyers would surf internet for their desired information. The real estate agent service networks have lured tremendous number of surfers. This trend creates business opportunities of housing viewing with the internet function of the handheld device and the popularity of mobile networks.

The rapid development of the internet has seen a mushrooming of competing online platforms for real estate listings. As we enter the new 5G era, digital tools and emerging technology applications will be further integrated into the brokerage service tools. As a result of this development trend, the tools and procedures for brokerage customer services are changing. However, the heterogeneity of properties and the complexity of transaction processes mean the e-commerce mechanism cannot easily replace bricks and mortars. Even in Japan and the U.S. where the real estate brokerage industry is mature and information is widely available, online tools have not significantly taken over the role of agents. In recent years the mainland's internet development is vivacious and there are many businesses in other trades venturing into real estate brokerage market with the support of the Internet technology. However, most of them have bowed out the market as they have only online service and lack incorporation with real offline services. Traditional real estate brokers making good use of the internet technology on the other hand have grabbed market share because they provide customers with good experiences and more efficient services. In sum, the innovation of e-commerce mechanisms has not rewritten the game rule of the housing market. Rather, it has boosted the efficiency of market activities. It is expected that innovations and online technologies will continue to be applied to real estate transactions.

On the other front, the “Regulations on Rented Household Market Development and Management” was implemented in June 2018. The said regulations encourage household owners to entrust specialized and legal renting and rental brokerage enterprises or organizations to rent their property, thus lowers disputes between landlord and renter. The said regulations therefore contribute to sound development of house rental market in the future. With the strong support of government laws, regulations and subsidies, the leasing industry has gradually taken shape.

(2) Real Estate Development:

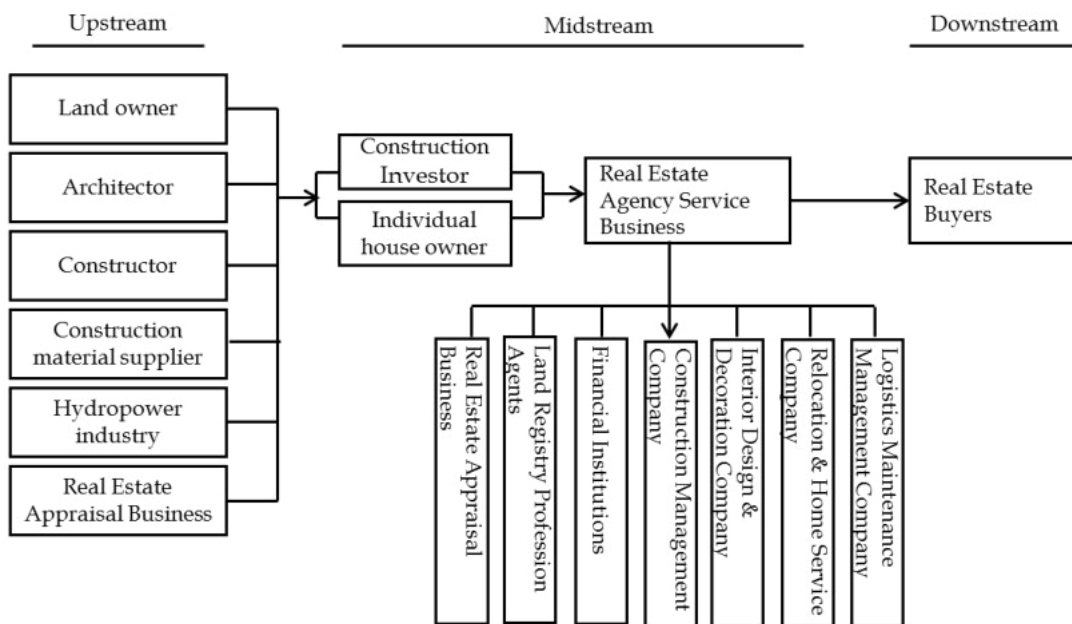
Under the current relatively lackluster housing market, real estate developers need to resort to uniqueness, fine quality, and branding of their products in order to win over consumers. Developers, at the same time of strictly controlling quality of their products, should also pay attention to the control of construction schedules as well as tempo in sales.

On the other hand, contemporary construction techniques have also quickly unfolded changes and renovation. From on-site construction work and such traditional work as tying up steel rods, and filling cement to prefabrication which composes parts at work site (composing work) after production of various construction components at factories, efficiencies at work have been upgraded markedly. In recent years, prefabrication is vigorously promoted on mainland China and there is a yearly increase in ratio on the demand for prefabrication in new buildings.

Building Information Modeling (BIM) is a revolutionary technique recognized by international engineering circles. It is speedily reshaping the whole industry chain. The multi-dimension model application of BIM is capable of pre-set construction pipeline, avoid heavy workload, and reduce waste. It can also digitalize design drawings and thus enhance drawing efficiency. BIM, aided by the internet, is capable of processing speedily and logically big data, which was processed traditionally ad manually in construction process, through BIM calculations. This further improves management efficiency and capabilities of a construction project.

2. Our role among the upstream, midstream and downstream supply chain:

Here at Sinyi Conglomerate, we have primarily engaged in real estate agent services and real estate development business. The industrial interrelationship in the line is enumerated below:



3. Trend of industrial development and facts of competition:

(1) Taiwan realty business and related services sector

A. Trend of product development

Due to popularity and wide reach of mobile devices such as mobile phones, more and more people choose to initially screen housing objects on the internet. Most real estate brokers, in order to cope with such behavioral changes of consumers, are devoted to applying digital technology during their objects buying and selling processes. The prevalence of 3D and AR/VR objects viewing functions online also helps in the reduction of guided object-viewing tours for consumers, thus raising operational efficiency. As the government has promoted the Real Value Registry Scheme in recent years, all transaction prices as well as surrounding environment of adjacent objects and accessories of a particular buying or selling housing object can be sourced on the Internet. Transparency of housing transaction information has thus greatly improved.

As housing deals bear characteristics of large sum of money and low dealing frequency, safe deal is a top issue attracting attention of customers. So the Company and its subsidiaries running businesses of brokerage and selling on commission are based on ensuring safety of consumers during household purchasing or selling process and providing speedy and reasonable services. They persistently provide all kinds of service safety, from four instruction books, contract fulfillment guarantee, to guarantee against purchase of a haunted house, safe rental insurance, Special Projects on Retail Store Fire Insurance and we launched the worm-damage-proof system. All such guarantees vary with different needs of each consumer. They are devoted to creating customized services catering to needs of customers in the hope that customers can safely offer the Company a chance of handling their big household deals with total trust.

It is also because housing deals bear characteristics of large sum of money and low dealing frequency, trust between a consumer and our sales colleagues is very important. The Company and its subsidiaries are corporations based on “trust.” They have provided a more diversified role for their branches from cultivating business districts to community services. Colleagues have embedded themselves in the lives of community residents and become good community helpers. They have naturally won trust of community residents after providing daily and all-dimensional services with frequent interaction.

The Company and its subsidiaries have persistently improved personal experiences which consumers feel when buying or selling housing objects, made improvement on online and offline service connection and integration. Especially improvement on object-viewing app has achieved more convenience and efficiency as far as customer object-viewing is concerned.

B. Competition of our products

The real estate agency industry in 2019 showed a continued modest recovery from the recent bottom position. Although there is a conservative view of the possible short-term uncertainty impact caused by the election of president and legislative council, the market is also positively affected by the significant increase in the overall demand for the buying of houses for customers’ own use. Thus, it is estimated that the number of shops established by major brands increased by 73 in 2019, to a total of 3,061, and that most of the increase is mainly by franchised stores.

【List of changes in the number of shops set up by real estate agent service providers in Taiwan】

Realtor in Taiwan	Type of business operation	Number of shops				
		2019	2018	2017	2016	2015
Sinyi Realty Inc.	Direct selling	450	435	431	433	435
Other brand names	Direct selling + Franchise	2,611	2,553	2,545	2,347	2,764
Total		3,061	2,988	2,976	2,780	3,199

Note: On the grounds of statistics of websites of all real estate agent services as of December 31 of the respective years (Other brand names include H&B, Chinatrust Real Estate, Pacific Realtor, Century 21, Yung-Ching Realty, Yung-Ching Real Estate, U-Trust House, Taiwan Real Estate and Eastern Realty).

We established a subsidiary, Sinyi Realty (Japan) Inc., (“Sinyi Japan”) to assist Taiwanese people with property purchases in Japan. We also provide rental custodian services after investors making investment and our fine services have won praise from consumers. Sinyi Japan expanded its operations to Osaka, Japan, setting off another wave of property purchases in Kansai, Japan. In the last few years, some well-known real estate developers from Japan have set up sales bases in Taiwan to cultivate Taiwanese customers that are interested in buying property in Japan. As the housing market becomes increasingly competitive, Sinyi Japan, to further cultivate the Japanese housing brokerage market, established operations bases in Hong Kong to introduce perspective Hong Kong or Mainland consumers to purchasing property in Japan. In addition, it set up “SJ Home” as its local housing brokerage brand in Japan, and opened its first store in the Roppongi area of Tokyo to serve local Japanese residents.

The company established a Malaysian subsidiary to provide housing agency services to Taiwanese people investing in and purchasing property in Malaysia. To introduce more Chinese to investing in Malaysia, the Company also enlisted mainland-related companies within the conglomerate, and cultivated Hong Kong customers. In addition, local stores were established in Kuala Lumpur to provide local residents with high-quality real estate agency services that are different from the local counterparts.

(2) Taiwan realty business and related services sector

A. Trend of product development

In 2019, Taiwan's economy gently recovered and the stock market remained stable. Bank mortgage interest rates continued to remain low, as a result, homeowners' confidence in buying homes increased. Therefore, real estate developers launching residential products were still focusing on the first-time purchase of two-bedroom products to meet the needs of most consumers. However, the rigid upgrade demand for replacing smaller residences with larger houses is emerging, and as compounded by some consumers' pursuit for a better quality of life, the opportunities opened up for selling medium to large sized products, in the 38-50 ping range. In addition, the prices of products for most individual projects of branded real estate developers with fine reputations are stronger than their competitors. The former stresses better product planning and quality of their products, and the resulting indoor space is more appropriate for consumers buying homes for their own use. All such products are best-sellers, provided that they are also in a good location.

In addition to a focus on building materials and planning to help maintain a certain level of quality, the products that have recently been sold at higher prices have also begun the trend of working with international brand hoteliers in planning and providing more sophisticated and differentiated management services for residents.

Under the recent strong control of the government, the first and second-tier cities in Mainland China have seen a reduction in product volume and stable pricing. Because housing prices rose in previous years, the total price of a house in the current market is still

high. As a result, smaller units are more popular. In addition, to curb the housing price hikes, the Mainland government has requested that the products held by real estate developers for commercial use be released for residential use. Thus, the number of houses for rent is increasing, and products such as “long-lease apartment” are appearing in some cities.

B. Competition of our products

In the aspect of Taiwan real estate development market, under interactive influences among factors such as Taiwan’s gradually recovering economy, government policy (for example, revisions on Urban Renewal Act, promotion of social household units, and implementation of real number of pings in the calculation of a household unit with canopy not being priced), funding environment (difficulties in environment on relevant funding and loan finances), and revision of over-priced household units, the overall real estate development market is still a market with individual presentations.

Therefore, whether positioning of a product meets market demand and has its unique features is the key point. In addition, the branding of a real estate developer has become an important factor for consumers purchasing a home. Real estate developers lacking branding advantage vie for products with a pricing advantage. As for real estate developers with branding advantages, since they tend to work with consumers for a long time and pricing of their products is competitive, along with their good product planning and fine product quality, they are more successful than other competing projects in the same area. Current products are obviously trending towards an M-shaped (polarized) market. On the other hand, with the lack of new projects in old urban areas, where the living mechanisms are mature with less competition, the demand for new housing units is bigger than supply and most of them will sell with a good price, regardless. These new units are not necessarily products of real estate developers with branding advantages, and so they rely on whether the products themselves, and the regional environment, meet customer demand. In areas of redevelopment, where many new projects pop up, they have same features on a good size of construction base, similar housing unit sizes and surrounding environment, the importance of branding advantages has been upgraded under multiple choice circumstances but without taking into account the factor of wide differences in geographic location. All these lead to whether a project can be priced higher or vice versa. If products launched meet demand of target customer groups, it will be reflected in the actual sales and speed of such sales are practically the same as when the economy is booming.

In the future business development teams of the company and its subsidiaries will focus on branding and meeting customer demand, launch fine-quality products good for residents, and provide consumers with a fine living environment. The company has also introduced digital technology and innovation such as BIM and promoted application of digital innovation in order to raise productivity.

In the aspect of China real estate development market, its economic growth momentum is lackluster as it is influenced by trade war between China and the U.S and COVID-19. Administrative control at first-tier and second-tier cities will be loosened appropriately, with the key point of protecting interests of people really in need of purchasing housing units for their own use or people requiring a bigger housing unit to replace the old. Land acquiring capabilities of real estate enterprises are limited by financing pipeline of the trade. Aided by the “three stables” policy of “stable land price, stable house price, and stable expectation,” this has kept the rate for housing unit price hike from rising sharply. From actually happening in this field, the company will refrain from acquiring land without second thought. On the other hand, as the costs of labor and raw materials rise, profit mode of developing standardized products is getting more difficult to achieve. Therefore, out of worries for profit margins of the trade, willing to

acquire land by capable real estate enterprises has decreased. This, plus a lowering selling speed, has made developers become hesitant to implement overall land-acquiring and development processes. Most of the Mainland's real estate developers focus on financial leverage. To speed up capital return and reduce inventory, they sacrifice project quality, and in turn, may generate a vicious cycle. The development business of Sinyi Mainland adopts a stable and steady management approach, focusing on product and engineering quality, and therefore generates product differentiation and separation.

(III) Profiles in technology & know-how and research & development:

Here at the Company, we have set up a unique position title as strategic head to take overall charge of implementation of reform programs, new business line research & development and innovation of business mode. The strategic head would eventually submit all such proposals to the department head conference for final decision before enforcement.

1. In the aspect of customer values, the Company spearheaded the sound policies of “making no gain through price gaps”, “collect by installments”, “property investigation before trading”, “Readily Available House Escrow”, “brokerage service reforms”, “concerted sales system with peers” and “four major assurances” haunted house security guarantee, and such brand new service systems. In 2019, the Company went even further by launching a “Pest Damage Protection Service”, creating a comprehensive home buying protection network for consumers.
2. We took the lead for many times in launching Virtual Home Staging, Housing Price Monitor, Trajectory Economics, Housing Market Thermostat, Home Staging, Property Viewings via app, 720 Degrees Virtual Viewings Online, guiding the real estate buys and sales into a brand new mobile technology era. In 2019, the Company was a pioneer in launching “My Selling Area” app, leading the home buying/selling industry into a new era of mobile technology.
3. In the reform and improvement of service procedures, we have assimilated all online business lines and the hands-on experiences accumulated previously by salespeople and staff heads which have yielded significant effects in the continued development of “department management”, “standard operational procedures SOP”, “E Project”, “S Programs” as well as “6S” measures. In an attempt to render services to customers in real-time, we also took the lead to offer 24-hour online customer service systems, with designated personnel assigned to serve customers on an all-weather 24-hour basis.
4. Moreover, we have set up Real Estate Planning Research & Development Office which not only researches for property market condition and trend in Taiwan but also publishes and issues a variety of real estate journals on a regular basis and further presents Real Estate Almanac which has been believed the most authoritative journal available in the entire real estate agent services. In concert with CNCCU – SINYI Research Center for Real Estate, College of Commerce, National Chengchi University, we originated the “Sinyi Real Estate Price Index” as the authoritative grounds in reference for real estate prices and market status. In an attempt to keep the indices well updated from better to best, we have devised the real estate indices covering the areas of Taoyuan, Hsinchu, Taichung and Kaohsiung other than Taipei, virtually covering all major urban areas of entire Taiwan. Besides, we further launched the overall real estate indices for entire Taiwan to accurately reflect the real estate price fluctuation in real time.
5. The Company has set up the Digital Intelligence Center in order to seize the trend of digital technology development and to brainstorm continuously to refine services and tools of operation system. In addition, we can apply big data analysis to digital precision marketing and enhancement of service effectiveness, as well as researching the consuming trend of living industries and developing innovative service to optimize the customers' experience of services.
6. The Company started providing aerial land photography services using aerial cameras in 2019. In light of the newly available aerial photography certification, the Company is planning to train staff members on how to obtain professional certification for drone flying. In addition, the

Company launched a “Special Project on Exquisite Marketing” program, aimed at servicing brand name housing and large communities that builds community-focused "Exquisite Marketing" resources that enhance buyers' imaginations and visions of future residences and the value of such premises. This, plus upgrading of functions of “Community Pricing V2,” which is the biggest such app in Taiwan with real pricing information for over 5,000 communities, and “brand new website especially for mobile phone.” In addition, the household service branch of the Company will re-create the “Sinyi household services” platform, where a website revision in 2020 is expected. The website is an innovative business model of an O2O household platform that combines branch resources and community services to carry out robust household living services.

7. The Company launched the “Electronic Leasing Engagement Process” in 2019, to upgrade customer service efficiency and effectiveness. In 2020, the Company is planning to introduce “Intelligent Customer Service” to assist store staff in providing better services. The above-mentioned R&D plan is expected to spend NT\$11 million dollars in 2020.
8. Sinyi Development Inc. and Sinyi Real Estate (Shanghai) Limited, the Company’s subsidiaries, complete the introduction of BIM (Building Information Modeling) design tools and information exchange platform and apply them in current development and design projects. This is aimed at reducing mistakes created in poor information relay and exchanges and upgrading design efficiency in order to lower technical drawing costs and also providing a platform of cooperation with enhanced development efficiency. As the talent cultivation project matures, the Sinyi Development Team has gone a step further in establishing a BIM ad hoc group, that is dedicated to the promotion, coordination and task communication of BIM technology. It is expected that another NT\$4 million will be invested in 2020, for the purpose of allowing personnel from all departments to participate in real term and make use of the technology in following-up on construction projects and new development projects, in order to facilitate task implementation. Additionally, external and internal training of personnel in various departments is being continued and the technology can be used during the implementation. At the same time, the team will participate in the exchange with external units and absorb new ideas.
9. The Company has successfully been introduced in community building with Project “SinyiJiating” under Sinyi Real Estate (Shanghai) Limited. It has again condensed feelings among community residents and thus won their praise. Subsequently the Company’s subsidiaries, Sinyi Development Inc. and Jiuxin Real Estate Limited have launched two construction projects: Project “Sinyi Jiahe” and Project “Sinyi Jiapin” in the Yungtsuei section of the Banqiao District, New Taipei City and Project “SanshuiJiating” in Wuxi, respectively. These projects have relied on community development as a competitive advantage to achieve differentiation in products. In addition to concrete building spaces of good quality, such projects also access consumers to fine community lifestyle of great harmony and friendship. Currently the said three projects have unfolded initial stage community development activities. This year they will unfold various stages of community development plan step-by-step in accordance with project progress.

(IV) Long-term and short-term business development plan

1. Short-term business development program:

- (1) Real Estate Agency Department: In addition to the continuous recruiting of outstanding talent and indoctrinating the excellent Sinyi staff with the philosophy of “Conviction Leads to Success”, the Sinyi concept is used to inspire supervising staff and all our colleagues to drive self-growth, and to create a high-quality team that works for the common good and to realize the dream of a successful housing industry. The concept of “Righteousness before Profit” is the basis for good community services, which extends into the depth and breadth of business trust. With the close integration of technology and trust, and that which is centered in “living”, objects, community and human hearts are strung together to become Sinyi’s unique competitive strength. Furthermore, colleagues are encouraged to fully embrace the

capabilities of digital technology to expand service momentum and improve service efficiency. A further step is taken to integrate the virtual and reality, and thus create a brand new industry attitude that assists in the improvement of colleagues' service quality. The core value of community service, "knowing people, to be known, to be trusted", is mastered to facilitate Sinyi's existence in communities as the best link to housing and living services and people's happiness, and thereby increasing market share.

- (2) **Selling Agency Department:** We shall pay close attention to the impacts of the novel coronavirus epidemic and the development of the China-US trade war. With the market's low interest rate factors unchanged, and the government's pro-housing market policy remaining the same after the election, the market focus is on home upgrades and first-time purchases. In addition to the deep cultivation of Taipei and New Taipei City, the Company will set foot in Taoyuan City in 2020, focusing on the development of the old urban areas now showing great demand. The Company will make full use of customer big data and market survey feedback to satisfy customer requirements in total price and layout, and provide reasonable housing prices and large space products to help reduce the risk of launching projects. The Company will continue to strengthen the cooperation with physical branch store channels and precision online marketing through the "Sinyi comprehensive real estate platform" to improve the quality and quantity of customer visits. At the same time, a special project, "Buyer's Pricing", will be implemented, which introduces a project's innovative items and perfect score services to enhance the overall value of each case and win the customers' trust and word-of-mouth publicity. At last, "Builders' Business Operation" will be implemented, where the Group's resources are integrated into the builders' development system and customer analysis system, so that Sinyi may become a think tank for the builders, where they can improve the quality and quantity of development projects.
- (3) In China, the complete operations of the Amoeba project were officially promoted to all regions of Sinyi, China in 2019, to improve the overall operational wellness and business focus. At the same time, we are integrating online-to-offline projects and community services to improve management, increase the rate of freshmen turning into official employees and reduce official employee turnover, as well as accelerating the speed of development of salespeople, refining the productivity each person and finally enhancing the customer experience and operating efficiency of salespeople.
- (4) In Japan, the focus is on observing the impact of the novel coronavirus epidemic, and then strengthening the epidemic prevention work when receiving customers to help reduce the impact of the epidemic. In addition to convening small purchasing property seminars or online presentations periodically aiming to those Chinese customers, we will optimize the content and process of services to help the customers focus on their need of purchasing property. We shall develop first-hand houses to meet the customers' demand and endeavor to get the best term of sales. We also plan to launch product campaigns in Taiwan, Japan and Hong Kong at the same time to bring into the comprehensive effect of promotion. As to serving local customers in Japan, we are promoting in-depth engagement with various business circles and participating in many activities of the neighborhood shopping districts to help broaden the Company's name recognition. We will also use digital technology, such as a reception system to enhance the service quality and quantity, and the effectiveness of SJ HOME, and provide differentiated services.
- (5) In the aspect of venturing into Southeast Asian markets, with official establishment of a subsidiary in Malaysia which set up a store in KLCC, Kuala Lumpur and cooperate with the Taipei branch, we provide services to Taiwanese customers to purchase property in Malaysia. We built up a complete "Taiwan-Malaysia Service Chain" after establishing a property management department which helps customers manage and lease the property on behalf of them. Additionally, we shall set foot in the Hong Kong region to assist those customers in Hong Kong looking to purchase property in Malaysia. In response to the impact of the novel coronavirus epidemic, the Company not only complies with the epidemic prevention guidelines,

but also focuses on interacting with customers online to improve service capabilities, and to reduce the impact of the epidemic.

- (6) In terms of the development business, as it too is affected by the novel coronavirus epidemic, the resumption of work in all sectors in the mainland after the Chinese New Year in 2020, is severely delayed. The construction and sales schedule of the Company's real estate development business in the Mainland has also been affected to a certain degree in the short term. The real estate development efforts in China for 2020 will be dedicated to the sale of surplus houses in Shanghai's Project "Sinyi Jiating" and the pre-sale of Project "Shanshui Jiating" in Wuxi, and the monitoring and assuring of the construction quality and progress of the project, so as to mitigate the impact brought on by the epidemic. As a new real estate developer in Wuxi, Jiuxin Real Estate Limited will focus more on precisely managing the targeted customer groups, in addition to selling model homes as a specific quality demonstration method to convey the architectural value and characteristics of Project "Shanshui Jiating" to potential customers. Sinyi Development will continue with its pre-sales work on Project "Sinyi Jiahe" in New Taipei City, which combines three major advantages: "Building Production Resume", "Building Information Modeling (BIM)" and "Community Building", so that it is a rare jewel and a true heritage building. In addition, "Sinyi Jiapin" has been given its construction license in the beginning of this year, and construction projects will begin one by one. In addition to adjusting its pre-sale schedule, to coincide with the sales progress of Project "Sinyi Jiahe", we are actively searching for suitable manufacturers and retail stores to set up in the project and surrounding neighborhood, to help inject new energy into the surrounding living environment.
- (7) The Company's subsidiary, Yowoo, renders their services through "Yowoo Express Platform", cooperating with its subsidiary Lian Yue Traffic Inc. to provide food delivery to the residents. It premiered with Sharing as the starting point, as it not only services residents in the community, it also brings new opportunities for community stores to run community economy, creating a better living experience for community residents. On the other hand, the Company released "Community Helper" app developed by Yowoo to cooperate with the Company's branch stores. We spare no efforts to let community residents get a better experience of living through releasing the "Community service online platform", with one function of pay the community managerial fee on the app. In addition to developing more app functions, which meet more closely with the demands of community residents, we are committed to meeting the various requirements of residents in various communities and creating intelligent community living models.

2. Long-term business development program:

- (1) In adopting a steady operational strategy, while refining the operation of current business regions and improving service effectiveness, we are committed to transforming a "community service" segment that starts with the real estate industry and expands to include peripheral services of residential living in order to meet customers' various requirements in advance, in all and in depth. We shall explore the possibility of strategic alliances that offer inter-industry cooperation, and then via our mutual strengths, fully meet the customer's living-related needs, and become a "facilitator for better community living". In addition, we shall use the resources of the whole Sinyi Group to gradually develop complete services that satisfy community residential living, so as to take root in our communities and connect happy living circles, and to achieve the vision of becoming "the best brand of the residential living industry" in Taiwan.
- (2) Continue to implement the promotion and practice of healthy corporate ethics, intensify the corporate ethics and business philosophy indoctrination of Sinyi talent with the concept of "Conviction Leads to Success", optimize and publicize the constitution of Sinyi Group to let all team members know about the Company's various advantages over the competition. Additionally, through continuous learning, innovation and process improvements, the implementation of operational processes and continuous innovation service model, we are

promoting the quality of the real estate brokerage industry, and moving towards the goal of recognized quality excellence for the real estate brokerage industry. We shall also enhance consumer trust and increase customer loyalty to the Sinyi brand by actively showcasing various stores to deepen our brand advantages and continue growth momentum, increase local influence and become the first choice for customer service. We shall share the common good with our communities, and realize customers' and colleagues' housing dreams.

- (3) Property development is capital intensive. The Company and its subsidiaries will take a cautious approach in the selection of sites on the basis of existing pipelines. We will focus on the development and improvement of competences in design, engineering quality supervision, cost and progress control, capital planning, marketing and branding. The goal is to optimize the managerial capabilities and reduce the operational risks of our development business so that property development can serve as a stable growth engine going forward. In addition to devoting company efforts to real estate development, we will also integrate various resources of the conglomerate. Furthermore, we will cooperate with good partners, such as outside land owners or land developers, construction companies, and building contractors to expand the real estate development business, and become the navigator of life style.
- (4) In order to expand the requirements relevant to dwelling and to develop the leisure tourism industry, the Company selected Sabah, Malaysia in 2019, where the tourism industry is prosperous and the huge potential for further development. As such, it has purchased the right to use over 200 hectares of land on Mengalum Island. The plan is to enter the luxury resort and hotel industry, making our facilities the first choice for local and international tourists vacationing in Sabah. In addition to taking over the tourism business, that already has small commercial activities, a series of preliminary works of design and planning for the development scheme shall be launched simultaneously. Due to the large area available on the island, it is expected that a zonal development approach will be adopted, which will gradually become another growth engine of the Group.

II. Markets and Sales Overview

(I) Analyses on markets:

1. The target markets of major commodities:

As a real estate agent service provider, we provide real estate brokerage services to the general public in the society instead of specific target groups. That means we might have a hard time classifying our products based on the target groups. In terms of key target regions of our real estate agent services, we primarily focus on Metropolitan area in Taiwan, such as Taipei City, New Taipei City, Taoyuan, Hsinchu, Taichung, Changhua, Tainan and Kaohsiung. The Company's subsidiaries in mainland China run their straight-owned stores in Shanghai, Suzhou and Hangzhou; the Company's another subsidiary, Ke Wei Shanghai Real Estate Management Consulting Inc., attracts the peers in real estate brokerage by subfranchising the well-known brand name of Coldwell Banker. Our subsidiaries in Japan primarily render real estate agent services to Chinese investors from Taiwan, Hong Kong, and Mainland China who purchase real estate in Japan. We opened a physical first-floor store in Tokyo with the new brand name of "SJ Home" in order to serve Japanese customers in their own country. We have also officially explored Kuala Lumpur, Malaysia by establishing operations there in 2017. We also will establish real shop for pre-owned housing units there in 2018 in order to raise service capacity and expand operational scale.

In the past three years, the real estate market has gradually picked up steam. Real estate trade has seen less closing of shops. However, turnover is still at a long-term low. There are still challenges in real estate operation. In addition, introduction of new technology has widened the imagination of cross-trade integration services on one hand, but also bring challenges such as market entries by people from other trades and brand image getting vaguer. Faced with changes in economy thermometer and digital technology environment, we need, in addition to persistently

raising our own professionalism and service contents, observe customer requirements and their changes. We need to think on how to integrate high-tech such as data bank, big data, and mobile technology, develop innovative, efficient, differentiated, and tailor-made services. We should even work with related trades to jointly upgrade service quality in order to excel after breaking out from economic doldrums as well as environmental changes in our trade.

Despite the dwindling trading volume in the domestic housing market, the demand for real estates of different types remains. Buying atmosphere for household units intend to serve as living quarters of buyers is also expected to gradually pick up. We have introduced a full range of services by integrating our resources in distribution and from other members of the group, as we aim to provide one-stop shopping services for different kinds of properties. The information on off-plans, newly completed housing units, pre-owned properties and overseas real estate is available in all of our branches.

The Company's real estate development subsidiaries, in addition to persistently selling remaining housing units at Tianmu, Taipei and Jiading District, Shanghai respectively, have mainly launched projects located at Chiangtsui redevelopment area at Banqiao District, New Taipei City, and Binhu District at Wuxi City on mainland China. The aforementioned redevelopment area is one of a few land development areas with relatively whole in both Taipei City and New Taipei City and projects at the area are hot-selling. The two planned projects: Project "Sinyi Jiahe" and Project "Sinyi Jiapin", contain a total of more than 250 housing units with a naturally good geographic location, on the first row facing the 435 Artistic District. The Project "Sinyi Jiapin" will include some commercial space to invigorate local business activities and meet residents' living needs. Project "SanshuiJiating" at Binhu District of Wuxi City is planned to contain 608 housing units to be sold.

2. Sinyi market shares of the primary target markets:

It is true that Sinyi primarily engages in real estate trading and brokerage services, trading of second-hand real estate still plays the pivotal role among our real estate agent services. The data of our horizontal trades are not easily available to us for a comparison. In order to measure the size of the market size of the second house market, we, therefore, calculate market shares by taking the figures of the number of buildings covered within the ownership transfer as a result of Sinyi services deducted with the number of buildings in the initial ownership registry as the denominator. Accordingly, we presume our market share in the second-hand real estate trading in the real estate agent service markets in the recent three years was around 8.32% to 8.63%. Concerning overseas subsidiaries, except for Sinyi Suzhou, which enjoys a higher market share in the main administrative regions it covers, the market share of the others was insignificant. Under the blessing of the "Sinyi comprehensive real estate platform", the Company's agency sale business focused on the operations in Taipei and New Taipei City. In 2019, it became the third largest consignment agency in Taiwan.

The Project "SinyiJiating" has 1,109 housing units to be sold. The Project is nearing the end of its sales phase. From April 2018, to March 2019 (nearly a year), the transaction area and dollar amount accounted for 0.85% and 0.6%, respectively, of Jiading district activity. The pre-sale of Project "ShanshuiJiating" and Project "Sinyi Jiahe" started in the second half of 2019, and the pre-sale volume accounts for a very small market share.

3. Status of future supply, demand and growth in the real estate markets:

The buying and selling volume of housing units for Taiwan in 2019 totals, 300,000, recording an increase three years in a row. The housing market has mildly kept picking up steam, with a large part of clientele being customers who wish to purchase housing units for their own use. Housing units being sold are in large part second-hand houses. In 2018, Taiwan officially entered an era of "population aging", as defined by the United Nations. At the same time, the number of domestic homes over 40 years old has increased rapidly, and as a result, structural changes have occurred in the supply and demand of housing. In addition, as the government aggressively promotes investment in Taiwan, many new job opportunities and an increasing residential demand are expected over the next few years.

- (1) Market dominated by demand from home buyers; rising demand for second-time buyers
After the formulation of the policy of Consolidated Housing and Land Taxes in 2014, Taiwan's housing market boom had entered a correction cycle of transaction amount decreasing while prices also decreasing accordingly. The said policy was officially implemented in 2016. Clientele who wish to purchase housing units for their own use had shown a relatively less interest in making purchases. In 2016, number of housing units being bought or sold was 245,000, the lowest since 1991. After two years of consolidation at the bottom, housing market had begun to pick up steam gently and needs of customers making first purchase of their lifetime was stable. At the same time, when housing market confidence had getting stronger these years, there had been return of need for replacing old housing for a new one. It is estimated that in 2020, the overall Taiwan housing market turnover will gradually pick up. However, COVID-19 is still unfolding, which will cast a sizable variable on the recovery of the housing market.
- (2) Low birth rate and aging population; small unit housing is becoming mainstream
The population of the nation increased 140,000 in 2019 (an increase of 0.6 ‰ for the year). The volume of increase and the increase rate are both the lowest to date, indicating the phenomenon of continuing population decline and aging. The phenomenon of declining birthrate in the past has significantly pushed the increased proportion of two-bedroom products in the city. Now, as the young-old population in Taiwan has increased significantly, they no longer require a large space, due to the decrease of the population at home. Their concerns are focused on the improvement of living quality. As a result, the demand for home upgrades is increasing, and smaller housing units with amenities, such as elevators and management, in the urban areas are very likely to become popular.
- (3) Aging homes generate demand for home upgrades; builders vigorously launch projects to welcome these business opportunities
According to statistics, in 2019 more than 20% of the houses nationwide were estimated to be more than 40 years old, and it is estimated that by 2024, the number will exceed 33%. Although old houses can be improved with renovation and redecoration to enhance living functions, old apartments without elevators, or unmanaged mansions, are not suitable for families with senior members. The rapid increase of aging collective housing in Taiwan will generate demand for home upgrades. Builders have recently become aware of this trend and are aggressively promoting new projects. In 2019, the total license volume for residential construction in Taiwan reached a 25 year record high. Coupled with the government's focus on rewarding urban renewal and promoting the reconstruction of dangerous old houses, the number of newly completed homes will increase significantly in the near future, further driving up transaction numbers in the first-hand and second-hand home upgrade market.
- (4) The return of Taiwanese businessmen strengthens the foundation of the housing market
Taiwanese businessmen are returning to Taiwan to set up or expand factories in response to the government's three major programs for investing in Taiwan. In addition to directly increasing the demand for industrial and commercial real estate, the job opportunities this phenomenon creates will enforce the foundational aspects that support the residential market. Driven by the tangible investments from the returning Taiwanese businesses over the next few years, it is expected that new home buying momentum may also be injected into Taoyuan, Hsinchu and the central and southern regions where Taiwanese businessmen will likely set up factories.

Regarding Japanese market, Tokyo housing prices, though not as rapidly rising as in the past few years in 2019, were still in a stable state. According to statistics from the East Japan Real Estate Circulation Agency, in the Greater Tokyo Area (Tokyo, Kanagawa, Chiba, Saitama) of Japan, the number of transactions of second-hand residential buildings reached 38,000 cases in 2019, setting the highest volume record in history. Total transaction price and unit price per square

meter have also risen for seven consecutive years.

In terms of macroeconomics, in view of Japanese domestic inflation rate failing to reach 2% target, it is estimated that Japanese Central Bank will persist in its quantitative easing policy. Starting from 2019, a series of large scale international events were/will be held in Japan. The infrastructure being implemented, such as transportation networks and activity venues, promotes overall economic development, and related subsequent benefits, such as tourism, will continue to bring positive benefits to liven up the economy. However, the COVID-19 is expected to have a certain impact on the Japanese economy.

In 2018, affected by influence of the U.S-China trade war, and the COVID-19 outbreak, these uncertainty factors have caused changes in the domestic and foreign economic landscapes in Mainland China. The macroeconomic environment, faced with a readjusting real estate market, is getting more complicated. Real estate policy of the future will fulfill the key note of “A household unit is for buyers to live in, and not for making a profit.” New real estate policies will be centered on the “three stables”: “stable land prices, stable housing prices, and stable expectations”, and the principle of “different policies for different towns; different guidance for different categories” will be implemented, making property market regulation more precisely. At the same time, these phenomena will also accelerate and deepen the development of the rental market scene. Therefore, in the current environment, market expansion is difficult. The subsequent development depends on the grip the government intends to impose on the housing market.

Malaysia has undergone a political party alternation, and relevant policy adjustments are gradually becoming clear, and in conjunction with the building of the Kuala Lumpur Tun Razak Exchange and the rail network, construction being completed can be expected. Therefore, Sinyi Malaysia will deepen the contents of its local services, by cultivating a local professional property purchase team indoctrinated with Sinyi philosophy, while expanding customer base, to cultivate Malaysian market.

4. Advantage and disadvantages in the competition niche and the countermeasures:

(1) Competition niches:

A. Optimal brand image, high acclaim from consumers:

Since the very beginning when Sinyi came into being, we have constantly insisted on everything that we feel supposed to. Besides, whatsoever we say, we mean it. Thanks to such remarkable efforts, we have successfully set up optimal brand image. Our remarkable dedication has been virtually verified with numerous awards conferred upon us every year. As universally acknowledged, the Company is constantly the No. 1 choice in terms of corporate image and brand identification. The services and systems launched by Sinyi have taken the lead and numerous competitors have tried to follow suit and have been even acclaimed as the standard norms. In all aspects, Sinyi is the No. 1 choice in the minds of potential customers. On business development on mainland China, the Project “SinyiJiating” has incorporated community-building elements. This, plus an insistence on quality of building projects, has won praise of customers who actually lived in the building in addition to winning of “Baiyulan” prize for highest quality project at Shanghai.

B. Advantage in costs yielded by scale economy:

Throughout Taiwan, Sinyi Realty Inc. is the real estate agent services brand name proud of the most directly operated shops. All branches are under direct management from the Headquarters and thus capable of effectively dominating the quality of services and consistent caliber of human resources. In China, Sinyi branches are in a volume up to quite a scale, a scale large enough to launch unified procurement. A variety of advantages in costs yielded by scale economy would be reflected through the room for price bargaining in procurement of services and equipment & facilities. In such aspects of marketing

advertisements, hardware equipment & facilities for branches and expenditures for activities sponsored by branches, we are in a position to benefit from competitive pricing.

In addition, Sinyi Group is the only Taiwanese-invested enterprise in Chinese Urban Real Estate Developers Strategic Alliance (Chinese Urban Alliance for short). Chinese Urban Alliance is jointly organized by many influential enterprises in real estate business on mainland China, including China Vanke Co., Ltd. Brand developers in major cities on mainland China have organized the said strategic alliance in the said trade under the principle of equality and mutual benefit. In addition to obtaining cost advantages through joint procurement, members of the said alliance often sponsor various forums in management, finance, purchasing, etc., in order to share first-hand professional information.

C. Effective integration of entrepreneurial resources:

In the aspects of information, marketing, educational & training programs for human resources as well as management, we have set up professional teams. We have adequate resources available to our utilization. In marketing activities and sales promotion, we may take advantage of standardization to demonstrate integrated benefits.

D. Concerted performance (synergy) through inter-support with affiliated enterprises:

Both Sinyi Conglomerate and its subsidiaries have been under solid growth in the principal real estate agent services and have further developed into more comprehensive business systems toward customers, industries, information and technology & know-how. With inter-support among all elements within Sinyi Conglomerate, we may demonstrate tremendous concerted performance (synergy). Integrating Sinyi Group's brokerage branches and agency sale business together with sales subsidiaries such as Sinyi Global Assets and Sinyi Japan, "Sinyi comprehensive real estate platform" is built jointly to provide our customers with one-stop and diversified overseas and domestic real estate investment services. In addition, development teams across the Taiwan Strait, after a real estate is being developed, can launch sales campaigns through consignment units or branches, and thus forming real-estate one-stop service.

E. Competence in service innovation:

Since Sinyi first came into being, we have constantly encouraged ourselves toward provision of secured services available to customers. We always think the needs of customers as our own and launch a variety of brand new real estate agent services which have received widespread acclaim in the markets and have been extensively followed suit by peers. The services include making no gain with price gaps, segmental charges, production before trading, logistic concert with peers, Readily Available House Escrow, leakproof warranty, assurance against potential defect in high chlorine irons and assurance against potential radiation, the so-called four major assurance services, as well as the haunted house security guarantee and woodworm prevention. In recent years, taking advantage of online Internet technology & know-how, we have further provided the customers with more and more thoughtful services with the continuous innovative abilities. Main building projects launched by development teams have incorporated community-building elements. In addition to building concrete spaces to facilitate interaction among community residents, efforts are made to provide opportunities for future neighbors to exchange opinions before delivery of housing units in order to know one another better. This means that more important soft community-building philosophy is added so that building projects can become more ideal human living quarters.

F. Efforts to cultivate human resources:

Where real estate agent services are known as the humans-based business, this word "humans" would play an absolutely indispensable role to Sinyi Conglomerate. The timber of Sinyi staff would suggest a supreme key factor toward the quality of Sinyi services.

From the very beginning of Sinyi undertakings, we have taken cultivation of talented human resources as the top job. While soliciting human resources, we aim at such candidates having been graduated from a university or in higher educational level without hands-on experiences accumulated in real estate agent services in principle. Through such policy, we assure that the business philosophy and corporate cultures insisted by Sinyi would be put into implementation thoroughly. We will also conduct in-depth exploration at school campuses so that Sinyi will plant seeds at school campuses in advance. We will keep a good employer brand image in students so that when they seek employment, Sinyi will become the only good choice. All our entire staff members feel proud of being Sinyi teammates. Usually development teams will hold relevant real estate development courses and conduct exchanges among different departments. Human resources departments will also hold concept-sharing camps in order to exchange ideas and reach consensus among colleagues.

In an attempt to solicit and win high-caliber talents, we took the lead to raise the guaranteed minimum salary of the new salespeople during the first 6 months from NT\$40,000 to NT\$50,000 per month. Besides, we have organized the project for new employees in order to let them find their position in the group, which is a brand new project to attract more talent people to join us. Through the project, we can obtain more talent to select. In addition, we continue to focus on campus to cultivate the potential teammates at the early stage, make a good impression on them and become the only one choice when applying for a career after graduation.

(2) Advantages toward the vision of development:

A. Policy Staying Neutral Housing Unit Buyers Gaining Confidence

After going through policy adjustments related to righteousness, investment demand has decreased drastically. Currently real estate transaction volume is still at all-time low and mainly relying on need for consumers to buy their own housing quarters. The government is now stressing “supply side” adjustments in its real estate policy, including promoting and supplying social housing, improving rental business chain, promoting urban renewal, reconstruction of old and vulnerable buildings, etc. Its policies no longer obstruct real estate confidence and real estate transactions are now persistently regaining its fundamentals.

Witnessing the government developing rental businesses, the Company is also actively taking part in such measures in order to promote rental brokering businesses. It also cooperates with a property insurance company via the offers of “Special Project on Safe Household Rental and Protection” and “Special Project on Retail Store Protection”. In addition, on the promotion of policy on urban renewal and reconstruction of old and vulnerable housing units, the Company’s affiliated company “Anshin Real Estate Management Company” also provides “whole project management services” and helps landlords to reconstruct their premise on their own.

B. Interest rates lingering low, working capitals remaining high.

Taiwan has not raise interest in consideration of economic growth and commodity prices. Taiwan has sufficient fund on the marketplace, so it is estimated that Taiwan market will stay in a low-interest environment and this contributes to transaction momentum of real estate market.

(3) Disadvantageous factors against development forward and the countermeasures:

A. The trend of recovery is weak, and the transaction volume is lower than the average:

Even real estate market registering recovery for consecutive years, the scale of its transaction has not reached level of long-term average. Market is mainly relying on needs of consumers who purchase housing unit for their own use. Compounded with the impact of the COVID-19, Taiwan's housing market recovery may be limited, and

furthermore, it may even decline.

In response to the aforementioned disadvantageous policies, we try to take the countermeasures as enumerated below:

a. Recruitment of Employee:

Being a real estate agency with all straight-owned stores, the Company led the industry to set up a criteria of the new salespeople should be without any experience of being a real estate broker and should at least graduated from college. The reason above is to provide the customers with good services. Furthermore, the Company emphasizes the service quality than sales figures. Compared to the peers who do not request the education and experience of salespeople or who are sales-driven, the Company can provide higher and stable quality of services.

b. Cultivation of talents:

Real estate brokering business is a business stressing humanity. The Company places emphasis on talents in its operational management, and speeds up cultivation of new recruits in refined learning environment. It also provides good fringe benefits to employees aimed at keeping them. A fine service system integrating business philosophy, education and training, and organizational system into one body is being built in order to provide customers with services of good quality.

c. Exploring and developing service chain:

The Company has integrated businesses such as residential services and epidemic prevention, maintenance, rental, and building management, expanding the Company's services from real estate brokerage to residential life services. At the same time, the Company has promoted community services and tries its best to satisfy various residential life needs of the community. On the one hand, it intends to win customers' trust in advance with more frequent interaction with them and an increase in service frequency. On the other hand, it is exploring new service models.

d. Digital innovation:

The Company has developed systematic tools for colleagues to further improve their operation as well as customer services. Service process and digital environment with online and offline integration are built to speed up colleague's operation and enhance online customer service efficiency. In the future, innovative services will be further developed with persistent upgrading of service quality and efficiency through integrated innovation with speedier databank sourcing, big data, and mobilization.

B. Increasing supply of 1st hand new house:

As the economy is recovering, the volume of public pre-selling buildings has increased. This, plus nearly two years of signs of increase in approved building licenses, could lead to a forecast that in the future newly-built housing units will increase and compete with existing housing market. The Company, in addition to running business of selling for others on commission basis in northern Taiwan for a long time, is also integrating resources of direct branch stores channels and the whole conglomerate to launch "Sinyi comprehensive real estate platform". It also provide information related to regional pre-sale building projects, newly-built housing units, second-hand housing units, and even overseas real estate at branch stores in order to satisfy needs of customers.

C. High employee turnover rate:

Amidst the characteristics of real estate agent services, real estate brokers are universally subject to long working hours, hard duties and heavy pressure in sales performances. As a natural result, they would show high employee turnover rate. Here at Sinyi Conglomerate, therefore, we must invest huge amounts of human resources and resources in soliciting newcomers.

In response to such disadvantageous factor, we have set up sound mechanism to

monitor, pre-alarm, reassess and improve an abnormal quitting rate. We have put into implementation thoroughly the mandatory vacation system for Sinyi teammates as a key policy. Meanwhile, we provided them with wholesome incentive and promotion systems. On a regular basis, we conduct satisfaction survey and improve their working environments. Moreover, we have introduced to the outsourced consultant policy known as “Employee Aid Program” (EAP). Toward the problems the Sinyi teammates might frequently face in routine life, duties and families, the outsourced experts will render handy guidance, consultation services and advice. From time to time on a nonscheduled basis, we monitor and reevaluate the performance of the systems. Thanks to such innovative efforts, the Sinyi teammates could take sound care of both performance of duties and balanced lifestyle toward the goal of “work amidst pleasure”.

The Company will continue to strengthen and optimize the management of business unit managers, improve the relationship between supervisors and colleagues, focus on teaching and other coaching work, looking forward to improving the retention rate of new people under the implementation of programs of the growth of new people and retention to reserve more outstanding talent.

We are known as the human-based business and give great consideration to all stakeholders. This results in benign cycle. In 2018, we propose 3 policies, “high salaries, high development, and high care”, to equalize economy, personnel development and physical-mental health of our employees. We continue to do our best to provide a pleasant work environment for our employees. We fulfill employee benefit in our daily operation in order to balance each employee’s work and life. It also made public a flexible system of fringe benefits in January, 2019 and gave each colleague 10,000 “SinFu Coin,” which could be used to pay for three big aspects of fringe benefits of learning and development, body health, and family support, including gym, sports center, child care service, health examination for dependents, and leaning growth courses not related to work. The ceiling of such expenses is equivalent to NT\$15,000 per year. Starting from January 2020, to help promote the Company’s “Green Operation” program, colleagues are encouraged to purchase new, or to replace old vehicles, with electric vehicles, as their transport to work or for servicing customers, in order to gradually develop an energy-saving and carbon-reducing workplace environment. Subsidies for purchasing electric vehicles are budgeted.

D. Solicitation of multi-linguistic talents and the difficulty in such efforts

Over the past years, the Sinyi subsidiaries in Japan have grown at a stable pace but have got customer bases primarily confined to overseas Chinese there. In Japan, we have been subject to the restriction upon our efforts to expand service strongholds. We must hire employees amidst those who speak both Chinese and Japanese. In addition, the Company entered the ASEAN market and is cooperating with Malaysia's top developers to sell Kuala Lumpur’s construction projects in Taiwan. In 2019, the Company entered the travel and tourism industry and invested in 200 hectares of right-to-use land on Mengalum Island in Sabah, Malaysia, and has gradually started preparatory work, such as planning and design. Therefore, the recruitment of talents with multi-language skills and service enthusiasm will be the focus of expanding business sectors in the future. We will be offering good remuneration and benefits to attract and recruit outstanding domestic and foreign talents who believe in the Sinyi concept through multiple channels, external and internal. In addition, the Company will provide language learning subsidies to encourage colleagues to strengthen their language skills, and to select suitable in-service colleagues to help develop their careers on the international stage.

E. Tightened regulation by the Mainland government not conducive to subsequent development

As the mainland housing market is still developing under the scope of the “three

stables policy,” namely stable land price, stable house price, and stable expectations, the real estate industry on the mainland has stepped out of the "golden era” and entered the "silver era”. Policy implemented by local governments is based on “different policies for different towns”, but the three stables policy remains the same everywhere, thus various housing market control policies were released one after another that reduce the profit margins of real estate developers. Coupled with the U.S.-China Trade war and the impact of the COVID-19, it has become increasingly difficult to operate in China. Real estate developers with a poor financial structure will see a broken capital chain and be forced to withdraw from the market. The successful operation of the Shanghai “Sinyi Jiating” Project is making it possible to strengthen the operations of Sinyi's Mainland development business. The development business in Mainland China will be focused on value-creation and then sales of Project “Shanshui Jiating” in Wuxi. In the face of the fact that some highly financially leveraged real estate developers may have a capital chain rupture and be forced to let go of land parcels, our team will be even more cautious than usual in evaluating land with development potential.

- F. The brand name of the Wuxi project by Mainland Development business is not well known

Most of the real estate developers in Mainland China focus on operating under the umbrella of financial leverage. Due to the impacts of the US-China trade war and the COVID-19, the stories about the collapse and default of developers' businesses are heard often. Home buyers are suspicious about new developers. Therefore, being a newcomer in Wuxi, the real estate developing business of the Company will focus more on precisely managing the targeted customer groups, in addition to selling model homes, as a specific quality demonstration method, to convey the architectural value and special characteristics of Project “Shanshui Jiating” to potential customers.

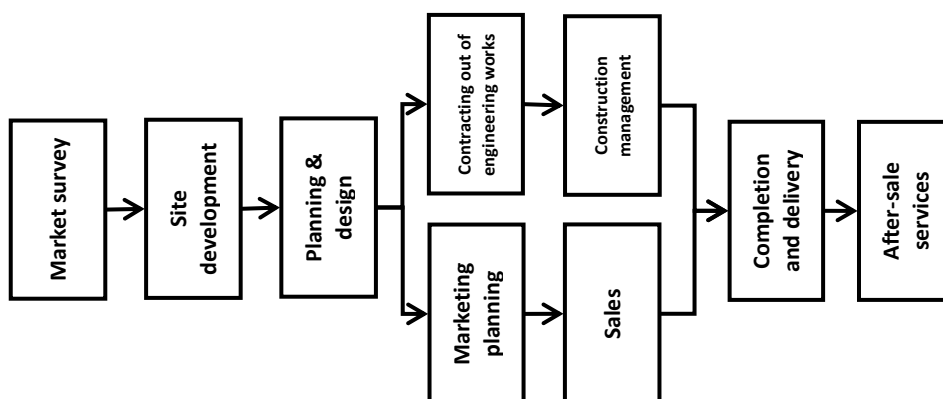
- G. COVID-19 impacts global economy

The spread of the COVID-19 is likely to hit hard on global economic and trade activities. Even Taiwan, which is relatively successful in epidemic prevention, is still affected to a certain extent. This will add a lot of uncertainty to the pace of market recovery in 2020, and market transactions in the short term are already impacted. However, the overall rigid-demand for self-use homes is stable, the housing market support policy is neutral leaning to slightly up, and abundant capital is driving the market recovery; these conditions are all conducive to driving housing market confidence. Thus, it is forecast that after the epidemic fades, the housing market will return to its original condition of stable volumes and prices. The Company and its subsidiaries will not only comply with the epidemic prevention guidelines of performing facilities cleaning, washing hands often, and wearing masks, but will also make adjustments to its methods of customer service. In using the O2O service model and optimizing the remote customer reception system and online house-viewing system, the Company is increasing the proportion of online service and improving its quality.

(II) Major purposes and manufacturing process of key products:

Our company provide brokerage services for rentals and properties for sale. We do not involve in the manufacturing process of products. Our subsidiaries Sinyi Development, Sinyi Real Estate (Shanghai) and Jiu Xin Estate are engaged in the developer, letting and sale of real estates. Our properties are developed in the following process:

- i. Product utilization: residences, offices, homes and shops, etc. ◦
- ii. Workflow:



(III) Availability of major raw materials & materiel:

We are the broker between buyers and sellers of properties and we do not deal with the supply of raw materials. Our subsidiaries Sinyi Development and Sinyi Real Estate (Shanghai) are engaged in the developer, letting and sale of real estates. The supply of the inputs is as follows:

Key inputs	Details
Land supply	<p>Taiwan: Our dedicated team has built a comprehensive network for site developments. We focus on Taipei City and New Taipei City, conduct market surveys and approach middlemen in different areas to explore the possibility of working together on suitable sites. We tend to own land and develop our own projects. However, the Chinese government has recently tightened up their control of the property market, and released a very limited amount of land. In addition, the development of the real estate market is suppressed, and land with development potential is increasingly difficult to find. Therefore, the Sinyi development business in the Mainland will carefully evaluate future land development opportunities and wait for the opportunity to take over potential land that may be released due to a broken capital chain.</p> <p>China: We participate in the tenders, auctions, allocations or negotiations for local governments to publicly release land sites. Regular market surveys are conducted by working with survey agencies, in order to investigate and understand the possible release of land by the city government. This ensures the completion of internal assessments and financial assumptions to determine the bidding prices, as soon as possible once the announcements are made. However, the Chinese government has recently tightened up the control over the property market, and released a very limited amount of land. Considering the soaring land prices over the past years, we are currently evaluating the possibility of property development in major cities of the Yangtze River Delta.</p>
Engineering works and materials	<p>Taiwan: By case, outsources the construction of engineering works and the procurement of materials to Japanese branded contractors with a long track record and good reputation, according to project scales and cost budgeting. Meanwhile, we send personnel to project sites to supervisor the quality of engineering works. The manpower and materials required for the construction projects are still abundant, and some major materials are subject to market supply and demand, which will cause price fluctuations. We will strengthen budget control details to facilitate the completion of the overall budget.</p> <p>China: It hosts open tenders to invite qualified contractors for the undertaking of engineering works. Decorative assignments and material procurements are</p>

Key inputs	Details
	contracted out to professional vendors. We outsource a portion of material procurement but our subsidiaries Kunshan Dingxian Trading Co., Ltd. and Hua Yun Renovation (Shanghai) Co., Ltd. also handle part of the procurements.

(IV) Names of the key customers who account for over 10% of the aggregate total input (output) values in either among the past two years and ratio of their input (output) values:

We serve as a broker for rental properties or properties for sale. Our customers are the general public and hence we do not have a list of major customers. The consignment business accounted for less than 10% of the combined revenue, and each one of the top ten partner builders of the last year only account for less than 1% of the said revenue. Real estate development, and lease and sales are the main business focus of subsidiaries: Sinyi Development, Shanghai Sinyi Real Estate and Jiuxin Real Estate Limited. Both Project “ShanshuiJiating” of Jiuxin Real Estate and Project Sinyi “Jiahe” of Sinyi Development are in construction phase, so the only output is with general contractors. By the end of 2019, the contracts of some customers of Sinyi Development and Sinyi Real Estate (Shanghai) are settled and the relative revenues are recognized; however, the main selling products are residential buildings and these customers are the general public and hence we do not have a list of major customers. Below is the list of the suppliers accounting for at least 10% of our procurements and the values of our purchases during the past two years.

Expressed in Thousands of New Taiwan Dollars

Name of the subsidiary	2019				2018			
	Name of the purchase vendor	Amount	Proportion of the net purchase in a whole year (%)	Relationship with the Company	Name of the purchase vendor	Amount	Proportion of the net purchase in a whole year (%)	Relationship with the Company
Sinyi Development Inc.	Joyear Group Co., Ltd	29,862	57%	Nil				
	Panasonic Homes Taiwan Co., Ltd.	18,165	35%	Nil				
	Others	4,386	8%	Nil				
	Total	52,413	100%					
Sinyi Real Estate (Shanghai) Limited	Shanghai Construction Group	149,466	70%	Nil	Shanghai Construction Group	130,106	53%	Nil
	Hua Yun Renovation (Shanghai) Co., Ltd.	32,550	15%	Indirect subsidiary	Sin-Pu (Shanghai) Garden Design and Construction Limited	33,126	14%	Nil
	Others	31,300	15%	Nil	Others	81,126	33%	Nil
	Total	213,316	100%		Total	244,358	100%	
Jiu Xin Estate (Wuxi) Limited	Shanghai Construction Group	691,978	56%	Nil	Shanghai Construction Group	1,259,118	94%	Nil
	Others	549,948	44%	Nil	Others	75,845	6%	Nil
	Total	1,241,926	100%		Total	1,334,963	100%	

(V) The production volume and value over the past two years:

We serve as a broker for rental properties or properties for sale, and hence we do not generate a

production value. Our subsidiaries Sinyi Development Inc. and Sinyi Real Estate (Shanghai) Limited are engaged in the developer, letting and sale of real estates. By the end of December, 2019, the production volume and value over the past two years are as followed:

Expressed in Thousand dollars

Main Product \ Quantity	2019			2018		
	Item	Quantity	Amount	Item	Quantity	Amount
Residential Building	SinyiQian-Shi	3	88,356	SinyiQian-Shi	7	163,830
	SinyiJiating	72	658,051	SinyiJiating	193	1,626,090
	Total	75	746,407	Total	200	1,789,920

Note : Production values are those which the contracts are closed and operating costs are recognized; Project “SinyiJiating” is the selling case in the Mainland China. Both Project Sinyi “Jiahe” of Sinyi Development and Project “ShanshuiJiating” of Jiuxin Real Estate are in construction phase, have not yet been delivered to Sales.

(VI) Sales values and volumes over the past two years:

We serve as a broker for property rentals and properties for sale. Our service fees depend on the type of properties and the value of transactions. Therefore, our revenue cannot be analyzed with sale of main products. Our subsidiaries Sinyi Development Inc. and Sinyi Real Estate (Shanghai) Limited are engaged in the developer, letting and sale of real estates. By the end of December, 2019, the sales values and volumes over the past two years are as followed:

Expressed in Thousand dollars

Main Product \ Quantity	2019			2018		
	Item	Quantity	Amount	Item	Quantity	Amount
Residential Building	SinyiQian-Shi	3	100,972	SinyiQian-Shi	7	201,350
	SinyiJiating	72	1,587,429	SinyiJiating	193	3,443,338
	Total	75	1,688,401	Total	200	3,644,688

Note: Sales values are the ones really entering into the account; Project “SinyiJiating” is the selling case in the Mainland China. Both Project Sinyi “Jiahe” of Sinyi Development and Project “ShanshuiJiating” of Jiuxin Real Estate are in construction phase, have not yet been delivered to Sales.

(VII) Key performance indices in real estate brokerage agency services:

We provide secured, prompt and rational trading services to consumers, as the ultimate Sinyi goals. Our key performance indices, therefore, lie upon the raise in market shares. Over the past five years, we have hold market shares ranging from 8.32% to 8.63%.

III. Major data of Sinyi teammates in both Sinyi Conglomerate and Sinyi subsidiaries over the past two years and as of the printing date of this Annual Report

Year		December 31, 2019	December 31, 2018	As of March 31, 2020
Number of employees	Managers	170	169	173
	Salespeople	4,470	4,176	4,417
	Staff members	1,303	1,294	1,305
	Total	5,943	5,639	5,895
Averaged ages		33.1	32.9	33.1
Averaged service seniority		5.9	5.6	5.9
Facts of academic degrees	Master (inclusive) or higher	7%	7%	7%
	University/college	92%	92%	92%
	Senior high school (inclusive) or below	1%	1%	1%

IV. Information of environmental protection expenditures

The aggregate total of impairment and penalty fines undertaken by Sinyi due to pollution to environment in the most recent year and as of the printing date of this Annual Report: Nil.

V. Labor & Management Relationship

(I) Major existent worker-employer agreement and the facts of performance of worker-employer agreement:

1. Fringe benefits for employees:

(1) Fringe benefits in insurance:

Other than the mandatory labor insurance and labor pension provision, Sinyi has further acquired group insurance (in the insurance policies for life insurance, accident risk insurance and inpatient medical treatment insurance). It has also covered arbitrary third party liability insurance for field colleagues of Business Department.

(2) Fringe benefits in health and security:

A. In Sinyi Conglomerate, all full-time regular employees are granted one Sinyi-sponsored health examination in every two years in full, and those full-time regular employees in the ages above 40 are granted one Sinyi-sponsored health examination in every year. At Sinyi management, we are extremely concerned about the results and findings in the health examination. Subject to contents from the employees, we take the initiative to help and urge an employee whose examination results indicate a sign of abnormality or extraordinary finding to receive follow-up treatment or observation to assure that all Sinyi employees are in sound health conditions. Within the website inside Sinyi, we have designed a “Health Management` System” zone to provide health management interfaces exclusively to employees to follow up their subsequent health fact findings, measuring records as perfect safeguarding of Sinyi employee health. In 2019, 60,000 people use the system. We provide our 700 newcomers with psychology medical questionnaire. After a newcomer fills out the questionnaire, a healthy manager will

provide relative consultant information to help him/her improve their condition if the newcomer is identified as a patient with high risk in mantle disease. In 2019, the Company obtained an extension of the “Badge of Accredited Healthy Workplace” from the Health Promotion Administration, Ministry of Health and Welfare, the Executive Yuan until 2021, and the extension of “Good Nursing Room Accreditation” from the Department of Health, Taipei City Government until 2021.

- B. We have provided full-time health managerial advisors to assume the exclusive responsibility to help Sinyi employees improve their health related knowledge and know-how. Starting in 2019, the Company set up on-site physician services twice a month to provide relevant improvement for consultation and a follow-up tracking arrangement with reminders for those who have health exam abnormalities, and to assist employees and their families with related medical treatment consultations and arrangements for medical institution treatment
 - C. Through the end of 2019, we hired a total of 17 licensed blind masseurs/masseuses to render massage services to employees to help soothe various anxieties and to improve their physical and mental fitness. Through such a policy, we have also offered employment opportunities to the blind.
 - D. We implement health enhancement programs, notably the classes to help employees give up smoking, outpatient abstinence of cigarettes, nutrition management, weight control, physical fitness, pressure management, chronic disease seminars and a variety of health related seminars and such fitness improvement programs. In 2019, there are 14 relative activities held and 2,000 people participate in.
 - E. In Taiwan, heart attacks rank among the top ten fatal diseases. Death incurred by a heart attack is very often caused by a sudden cardiac arrest. An electric shock is an effective means to help restore heartbeat. At the Sinyi Headquarters, we have just installed such Automated External Defibrillator (AED) and guided employees (in 2019, we held four AED trainings and 188 employees learned how to use the device) how to use in case of need.
 - F. In both Sinyi home companies and subsidiaries, our staff members engaging in real estate agent services normally depend upon motorcycles as their key transportation. Toward newcomers, we arrange traffic safety video films to help them gain added know-how about traffic safety 12 twice a year. For them, we have acquired inpatient and accident risks policies. Meanwhile, to help them ease up a potential responsibility when an employee causes a any third party into injury when use of transportation, we further purchase third party liability insurance for Sinyi employees who ride motorcycles as added assurance for their carefree dedication to Sinyi.
 - G. To help employees enhance their awareness against a disaster of fire or other accident and to prevent them from a potential accident resulting from nervousness, we have organized the self-guard fire teams and carried out anti-fire exercises on a regular basis. In 2019, two fire drills are held in the headquarters. Promotional propaganda on traffic rules and regulations are executed on a regular basis monthly and 12 sessions are held. And through “internal bulletins”, we can understand relative activities held by our colleagues and provide needs in case of an emergency. At the end of 2019, there are 290 notifications.
- (3) Fringe benefits in tourism:

Starting in 2019, the company implemented a flexible benefit system called "SinFu Coin". The Fringe Benefit Committee subsidizes NT\$4,500 per person per year to assist with departmental travel activities, which are then incorporated into the flexible welfare quota for colleagues to use freely. In 2019, 3,540 employees participate in company trips

and the total subsidy reaches to NT\$15,915 thousand dollars. For salespeople and staff members with extraordinary performances, we offer incentives for overseas vacations every year.

(4) Fringe benefits in recreational activities:

On an annual basis, we sponsor softball competitions. All departments would organize their own softball teams to soothe pressure into fitness through the softball games. Such activities would further help cultivate centripetal consensus and team spirit of the entire teams. The Welfare Committee (Fringe Benefit Committee) further budgets NT\$5,000 dollars founding subsidy and NT\$5,000 dollars for every quarter. Through such programs, we encourage employees to engage in wholesome leisure activities and soothe pressure in their jobs and families. In 2018, there are 72 clubs in our company and approximately 480 activities are held and total subsidy reaches to NT\$2,391 thousand dollars.

(5) Fringe benefits in vacation leaves:

Following the requirements set forth under the Labor Standards Law, we grant employees regular monthly leave and special leave. On a regular basis, we provide statistical statements to the department heads to help them make sure of how employees use their vacation leaves. Through such a policy, we help employees well balance their jobs and life.

(6) Fringe benefits to support employees:

We have screened/selected qualified professional consultation houses outside to render individual consultation services for employees aiming at their career, family affairs, relationship with children, affection life, mental and physical pressure, legal and wealth management issues, to assure that all Sinyi employees will be perfect mental fitness. In 2019, the usage rate of consultation is approximately 6.2%. And 269 employees use this service.

2. Higher educational & training programs for employees:

(1) Educational & training programs for employees:

We believe that people are the foundation of our industry, and the quality of people is the key to the prospect of the business. To ensure our colleagues of different levels can systematically develop and enhance competences, we plan for relevant curriculum for our personnel to develop the competences and knowledge required in different stages of their careers. These programs, including orientation for new hires, professional advancements and branch manager training, aim to assist our employees to continue learning and growing. Meanwhile, we regularly organize workshops throughout different regions for middle managers and senior executives so as to ensure our business ethics and transform into collective leadership. It is hoped that the periodical discussions, brainstorming sessions, practical drills and experience sharing can smooth our operations and strengthen our organization. Meanwhile, we believe that multiple ways of learning helps to develop talents. Our employees are encouraged to sign up for internal curriculum, as well as to nurture their capabilities from practical experience on a day-to-day basis and drawing various resources for self-learning. Below is a list of the employee trainings we and our subsidiaries provide (excluding external education, certificate training and online courses) in 2019:

Descriptions	Class Type	Number of classes	Aggregate total of trainees	Aggregate total of trainees/hours	Aggregate total of tuition fees (In thousand NT\$)
General colleagues	In-Person	2,575	105,017	152,447	14,807
	Digital	49	5,519	7,772	
Team leaders	In-Person	406	5,914	11,180	2,313

	Digital	5	576	864	
Senior supervisors	In-Person	27	945	126,630	77
Total		3,062	117,971	298,893	17,197

(2) Advanced studies for employees:

In addition to internal curriculum, our colleagues are also encouraged to take part in external training and education programs (e.g. postgraduate degrees and credits, language learning and other professional classes). The goal is to enhance our personnel's capability to acquire new knowledge to meet with our business requirements for diversification and future development. To support learning initiatives, we subsidize the external training for our employees. To ensure the learning effectiveness of the employees signing up external classes, we require the applicants to thoroughly evaluate the objectives and expected outcome of their education. They should also submit the completion certificate and learning reports within two weeks after the training.

(3) Diversified Learning:

The Company pays attention to the diversity of colleagues and their lifelong education, and implements a flexible benefit system that subsidizes colleagues' classes and supplies for this diversified learning, including courses in the real estate profession, management skills, information and computer, financial management, various licenses, and language learning. These subsidies can also be applied to musical instrument playing or culinary skills courses, so that colleagues can learn about their personal interests, while still working and bring about intellectual growth.

(4) Digital Learning:

With the popularization of digital technology and portable 3C devices, in addition to in-person classroom courses, the company has also created an internal digital learning platform, which combines innovation and technological application, which can be continuously improved upon in quantity and quality for micro learning. It offers a better learning experience and increased effectiveness, and allows independent learning without the constraints of space and time. Starting from 2020, live interactive learning courses will be launched to continuously cultivate and improve employees' capabilities and skills.

3. Sound retirement system for employees:

Exactly in accordance with the requirements by laws and ordinances concerned, appropriate 6% of their monthly pays into the individual account opened with the Bureau of Labor Insurance for newly employees newly hired starting from July 1, 2005 and employees who have chosen new system Labor Pension Act. For the existent employees who continually choose the old pension system regulations and for the service seniority retained under the old system of employees who choose new pension regulations, we appropriate the pension reserve funds at the right amounts into the specially designated (earmarked) account in Bank of Taiwan based on the original criteria to calculate pension. Our pension system as of the end of 2019 is in compliance with the regulatory requirements and sufficient to cover the colleagues applicable to the previous system by the end of 2020. For Sinyi teammates assigned by the organizations to affiliated enterprises, we continue calculation of their service seniority to assure the purposes of sound interflow of human resources. For overseas subsidiaries, we ascertain the appropriation system. In accordance with the requirements by the local governments, we pay endowment, medical treatment service funds and such funds for social assurance.

4. Other welfare

(1) Birthday, wedding, and funeral:

Every department of the company will hold irregularly birthday celebrating activities monthly, provide birthday boy or girl with gift certificate. It will also provide mutual aid money to colleagues who get married, have family members passing away, or meet other

joyful occasions.

(2) Childbirth Subsidy

We offer mutual aid fund in an amount of NT\$3,000 to an employee in the first childbirth. Starting from 2013, where an employee gives birth to beyond a second child (inclusive) after he or she has served with Sinyi for one year in full, we offer NT\$120,000 incentive money. The statistics indicate that a total of approximately 540 Sinyi employees (including 83 employees, in 2019) had received such incentive in total of NT\$57,800 thousand as of 2019.

(II) The impairment incurred on labor disputes in most recent year and as of the printing date of this Annual Report:

Since the very initial days when the Sinyi Realty Inc. and subsidiaries came into being, we have strictly complied with the government policies and laws and ordinances concerned, put into implementation thoroughly labor related acts, assured sound interests to all Sinyi employees with wholehearted efforts to create labor harmony. As an encouraging result, never have we run into a significant labor dispute. Besides, thanks to our sound and comprehensive fringe benefit system and channels for grievance, we anticipate an extremely low chance to see a labor dispute within a couple of years in the future. We are not supposed to run into such loss.

(III) Employee behavioral and ethic regulations:

For all business operation, all rights & obligations concerned for employees, Sinyi Conglomerate and its subsidiaries have expressly enacted sound regulations as the guiding rules (all such rules and regulations are classified into 27 categories, over three hundred articles in aggregate total) which have been made readily available toward the entire staff members. Any additions, amendments for any rules and regulations shall be submitted to and approved by the respective levels internally and promulgated into the internal websites so that all Sinyi Conglomerate teammates could take firm command of the contents and the reasons behind. The employee behavioral and ethic regulations are summarized below:

1. Hierarchical responsibility rules:

In coordination with the requirements for organizational development, we have duly set up rational position ranks, position titles provided to employees to devise the very blueprints for their career development. For all business operations, we have exceptionally specified the powers to approve through electronic submittal and approval process. Through such practices, we can accelerate the submittal and approval procedures and strengthen the management through hierarchical responsibility rules to effectively regulate the powers, duties and responsibilities in business operation. In turn, we assure that all business operations inside entire Sinyi Conglomerate would be implemented in a normal manner.

2. Responsibilities and powers expressly specified for respective units:

Pursuant to the major functions, we expressly regulate the responsibilities and powers as well as functions to put into implementation thoroughly professional division of labor and, in turn, intensify the core Sinyi competitive edge. Besides, we have put all responsibilities and powers and the ways to contact them into the internal websites to serve internally and customers to meet their needs in case of an emergency.

3. Rules and regulations on rewarding and punishment”

In an attempt to encourage employees with extraordinary contributions and to prevent a potential impairment to Sinyi due to personal behaviors of employees, we have expressly provided the rewarding and punishment rules into the “Work Rules for Employees”. Besides, we have enacted “Regulations Governing Rewarding and Punishment for Employees” which function as the

very grounds to regulate employees' behaviors. Facts of rewarding and punishment for employees are promulgated internally to accomplish the goals of encouraging and reminding Sinyi teammates.

4. Performance management:

As always, we evaluate performance by employees in a "fair, just and open" attitude. For evaluation of employees in all aspects, there are sound criteria to comply with, notably including "Regulations on Governing Promotion, Reassignment and Evaluation for Shop Heads", "Regulations on Governing Salespeople in Promotion", "Regulations on Governing Secretary in Promotion", "Regulations on Governing Employees in Performance Evaluation" and the like. Aiming at different targets, we evaluate performance on a monthly, quarterly and annual basis. Toward the performance by employees, we offer appropriate feedback as the very grounds to help map out future development programs for staff members.

5. Management over attendance of duties and leave:

To set up sound disciplines to upgrade the quality of performance and provide the sound grounds regulating employees in their attendance of duties and leaves, we have enacted "Regulations Governing Attendance of Duties and Leaves", "Enforcement Rules for Management over Overtime Work" and have further set up electronic system for employees to apply for a leave of absence. All employees who intend to take a leave may apply online. Such a system could accelerate the handling formalities and put into implementation thoroughly the job substitute system. With establishment of the system for attendance of duties and leaves, the department heads may check and take firm command of the facts of subordinates in attendance of duties and may help all employees well balance their duties and life.

6. Maintenance of business secrets:

To accurately safeguard business interests and boost competitive edge of Sinyi Conglomerate, all employees are subject to strict commitment to non-divulgence obligation for confidentiality. To prevent divergence of business secrets that, if any, might lead to impairment to Sinyi Conglomerate, we adopt a personnel guarantee system. Whenever a newcomer reports for duty, he or she must provide two guarantors to sign letters of guarantee which expressly enumerate the relevant responsibilities and penalty clauses on business secrets. Moreover, all Sinyi employees must sign "Committee for Sinyi Conglomerate Data Protection, Personal Information Protection and Information Network Use" to assure no potential divulgence of confidential information at all.

7. Prevention against sexual harassment:

All employees are absolutely banned from any sorts of sexual harassment in the workplaces. Other than sexual harassment related rules which are expressly provided in the "Work Rules for Employees", we have enacted the "Guidelines to Deal with Prevention, Grievance and Investigation of Sexual Harassment in Sinyi Realty Inc." to regulate employees in their behaviors. We have, as well, designed "sexual harassment prevention website" as promotional propaganda of the relevant information, provided special mailbox through which employees may voice any sexual harassment related events, as a very wound sexual harassment prevention network.

8. Internal and personal information protection:

Through "Operating Guidelines Inside Sinyi Conglomerate for Data Protection and Personal Information Protection" enacted, we expressly provide the relevant norms to safeguard all sorts of information and data inside Sinyi Conglomerate and to satisfy the requirements set forth under the "Personal Information Protection Act" and other laws and ordinances concerned. Besides, we have set up data protection task forces to promote and put into implementation thoroughly the protection of information and data in business operation.

(IV) Protecting measures for the workplaces in personal safety:

Employment Insurance System	Labor insurance	<ul style="list-style-type: none"> Exactly pursuant to the Labor Insurance Act, including insurance benefits in childbirth, injury, disease, disablement, endowment and death.
	National Health Insurance	<ul style="list-style-type: none"> Exactly pursuant to the National Health Insurance, granting medical treatment service when an insured person and his or her dependent is in a disease, injury, childbirth and such events.
	Group Employee Insurance	<ul style="list-style-type: none"> With contents of assurance including time life insurance, accident injury insurance, accident medical treatment service insurance, inpatient service insurance, cancer medical treatment service insurance and occupation-oriented calamity insurance. Besides, when an employee receives inpatient service, the per diem benefit is raised to NT\$2,000 so that all employees may enjoy substantial group assurance.
	Additional Insurance at Employees' Expense	<ul style="list-style-type: none"> The contents covered in the additional insurance include time life insurance, accident injury insurance for employees and their spouses, children; medical treatment service for an accident for employees' spouses, children, inpatient medical treatment service for spouses, parents and cancer medical treatment service for spouses and children.
	Motorcycle Insurance for any third party into injury	<ul style="list-style-type: none"> In order to reduce the liability for injury to any third party caused by employees driving at work, we insure third-party motorcycle insurance from Cathay Century Insurance Company in 2019. The insured motorcycles are more than 3,500. This provides more sufficient protection for employees.

Establishment of secured workplace environment	Personal safety, security for equipment & facilities	<ul style="list-style-type: none"> ● All female brokers and branch secretaries are provided with carry-on alarm. ● Anti-fire seminars sponsored on a regular basis. In 2019, two fire drills are held in the headquarters. ● Promotional propaganda on traffic rules and regulations on a regular basis monthly. ● Thorough implementation of power utilization safety and control over smoking. ● The Sinyi Conglomerate Headquarters is equipped with Automated External Defibrillator (AED). The Company's headquarter are equipped with 24-hours security and security system to monitor the access control and night patrol. The branches are also equipped with 24-hour security monitoring system connecting to the security company. ● Overall installations of anti-sliding bars upon staircases for all Sinyi Branches.
	Efforts to set up green workplaces	<ul style="list-style-type: none"> ● In addition to prohibition against smoking in the workplace , Project to strengthen energy saving & carbon reduction. ● Continually enhance wholesome workplace environments, e.g., poison-free decoration, disinfection on a regular basis. We do environmental disinfection 6 times in 2019.
Implementation of "EAP Employee Aid Program"	"Employee Aid Program(EAP)"	<p>We help employees preclude potential interference factors beyond profession. Taking the lead to follow suit advanced European and American countries in implementation of "Employee Aid Program" (EAP). By means of psychological, legal, medical treatment and such diversified, comprehensive and multifaceted professional consultations, we assure employees to own balanced physical & mental lifestyle and to, in turn, accomplish the goal of "working amidst the utmost pleasure". The consulting usage rate for 2019 is about 6.2%, totaled 269 times. The number of questionnaires of psychometrics which the freshmen fill out amounted to 700. The health manager summarized the questionnaires and provided the assistance and information to those who needs help for the high risk in aspect of psychology to improve the conditions.</p>

VI. Major agreements/contracts

Attributes of agreements/ contracts	Key parties	Duration of the agreements/ contracts (mm/dd/yy)	Highlights of contents/restrictive terms
Escrow contract	An-Sin Real Estate Management Ltd.	01/01/2019 § 12/31/2019 (Note 1)	Rendering execution of escrow services toward our customers on the successful transactions of real estate.
Escrow contract	E.Sun Bank	12/10/2019 § 12/10/2020	E.SUN Bank entered escrow contract with AN-SIN Real Estate Management LTD., one of the Company's subsidiaries to provided escrow to the clients who deals the real estate transactions through the Company.
Trust Deed	Taishin International Bank	09/18/2018 § (Note 2)	The Company subsidiary, Anshin Escrow Co. signed a Trust Deed with Taishin International Bank to manage trust property, where the closing price of the existing home sale contract shall be deposited by buyer and seller into the dedicated Anshin trust account, and then distributed in accordance with the contract.
Chartered right agreement	Realogy Corporation	10/12/1999 § 10/11/2039	The Company subsidiary Ke Wei Shanghai entered into a chartered right agreement with Realogy Corporation. Ke Wei Shanghai obtained from the counterparty a license granting the right to use the plans, manuals, system and forms developed by COLDWELL BANKER and the exclusive right to itself sublicense and/or to sublicense other franchisees and territorial subfranchisors in China, Hong Kong and Macau. The term of this contract is for forty years from October 12, 1999 and is automatically renewed for another period of forty years to October 11, 2079 unless the two sides agree to terminate the contract in three months prior to the expiration of the contract.
Long-term loan agreement	E.Sun Bank	08/02/2019 § 08/02/2022	The Company entered a 3-year (since borrowing date) revolving credit line agreement of NT\$ 230 million and provides some levels of the Headquarters Building located in Xinyi District as guarantee to sign a 3-year (since borrowing date) loan agreement for revolving credit line up to NT\$2.42 billion with E-Sun Bank.
Long-term loan agreement	East Asia Bank	11/15/2018 § 11/12/2021	The Company provides some levels of the Headquarters Building located in Xinyi District, Taipei City as guarantee to sign a three-year loan agreement for credit line up to NT\$1.6 billion with East Asia Bank
Long-term loan agreement	Far Eastern International Bank	05/02/2019 § 05/02/2021	The Company signed a 2-year unsecured loan agreement with Far Eastern International Bank in the credit line of NT\$800 million.

Attributes of agreements/ contracts	Key parties	Duration of the agreements/ contracts (mm/dd/yy)	Highlights of contents/restrictive terms
Long-term loan agreement	Mizuho Bank	11/30/2019 ∫ 11/30/2021	The Company signed a 2-year unsecured loan agreement with Mizuho Bank in the credit line of NT\$300 million.
Long-term loan agreement	Yunta Bank	03/20/2019 ∫ 03/19/2021	The Company signed a 2-year unsecured loan agreement with Yunta Bank in the credit line of NT\$400 million.
Long-term loan agreement	Taishin International Bank	12/25/2019 ∫ 12/25/2022	The Company signed a 3-year unsecured loan agreement with Taishin International Bank in the credit line of NT\$300 million.
Long-term loan agreement	Chang Hwa Commercial Bank	01/25/2019 ∫ 01/25/2021	The Company signed a 2-year unsecured loan agreement with Chang Hwa Commercial Bank in the credit line of NT\$500 million.
Long-term loan agreement	JihSun Bank	12/03/2018 ∫ 11/29/2020	The Company signed a 2-year unsecured loan agreement with JihSun Bank in the credit line of NT\$200 million.
Long-term loan agreement	Bank of Taiwan	12/19/2019 ∫ 12/19/2021	The Company signed a 2-year unsecured loan agreement with Bank of Taiwan in the credit line of NT\$200 million.
Long-term loan agreement	First Commercial Bank	04/10/2019 ∫ 04/10/2021	The Company signed a 2-year unsecured loan agreement with First Commercial Bank in the credit line of NT\$100 million.
Long-term loan agreement	Development Bank of Singapore (DBS)	01/02/2019 ∫ 01/02/2021	The Company signed a 2-year unsecured loan agreement with DBS on a credit line of NT\$200 million and on New Taiwan Dollars that are USD\$40 million equivalent.
Long-term loan agreement	Fubon Bank	09/09/2019 ∫ 09/09/2021	The Company signed a 2-year unsecured loan agreement with Fubon Bank in the credit line of NT\$200 million.
Long-term loan agreement	Taiwan Cooperative Bank	07/26/2019 ∫ 07/26/2021	The Company signed a 2-year loan agreement with TC-Bank on a credit line of NT\$300 million, using the Nanjing store and Zhongxiao Dunhua store in Taipei as guarantees.
Long-term loan agreement	Shanghai Commercial & Savings Bank	12/08/2018 ∫ 12/08/2021	The Company signed a 3-year unsecured loan agreement with Shanghai Commercial & Savings Bank in the credit line of NT\$400 million.
Long-term loan agreement	Cathay United Bank	08/01/2018 ∫ 08/01/2020	The Company signed a 2-year unsecured loan agreement with Cathay United Bank in the credit line of NT\$200 million.
Long-term loan agreement	CTBC Bank	07/02/2019 ∫ 07/02/2021	The Company signed a 2-year unsecured loan agreement with CTBC Bank in the credit line of NT\$200 million.

Attributes of agreements/ contracts	Key parties	Duration of the agreements/ contracts (mm/dd/yy)	Highlights of contents/restrictive terms
Long-term loan agreement	Mega Bank	08/13/2018 § 08/13/2021	The Company signed a 3-year unsecured loan agreement with Mega Bank in the credit line of NT\$250million.
Long-term loan agreement	Shin Kong Bank	11/21/2018 § 11/20/2021	The Company signed a 3-year unsecured loan agreement with Shin Kong Bank in the credit line of NT\$200 million.
Long-term loan agreement	Bank SinoPac	06/21/2019 § 06/21/2021	The Company signed a 2-year unsecured loan agreement with Bank SinoPac in the credit line of NT\$200 million.
Long-term loan agreement	Taishin International Bank	03/29/2019 § 03/29/2024	The Company's subsidiary, Sinyi Development Inc., signed a five-year secured loan agreement with Taishin International Bank in the credit line of NT\$1,373 million and provided its own land located at Land No. 4 and 6 Yong Cui section, Banqiao District, New Taipei City as collateral. (Project Sinyi "Jiahe")
Long-term loan agreement	Taishin International Bank	09/08/2017 § 09/08/2022	The Company's subsidiary, Sinyi Development Inc., signed a five-year secured loan agreement with Taishin International Bank in the credit line of NT\$1.9 billion and provided its own land located at Land No.27 Yong Cui section, Banqiao District, New Taipei City as collateral. (Project Sinyi "Jiahe")
Long-term loan agreement	Shanghai Pudong Development Bank	12/26/2018 § 12/25/2023	The Company's subsidiary, Jiu Xin Estate (Wuxi) Limited signed a five-year secured loan agreement with Shanghai Pudong Development Bank in the credit line of RMB\$0.6 billion and provided its own land use right located at South and West of the intersection of Zhuangyuan Road and Yucheng Road at Binhu District, Wuxi as collateral. (Project "ShanshuiJiating")
Delegated construction agreement with open land(Note 3)	Shanghai No.7 Construction Co., Ltd.	04/28/2014 § 06/11/2017	The Company's subsidiary Sinyi Real Estate (Shanghai) Limited delegated Shanghai No.7 Construction Co., Ltd. to carry out the delegated construction with the own land located at No. 18-01 Malu Township, Jiading District, Shanghai which was awarded in an open tender. (The 1st Phase of Project "SinyiJiating")
Delegated construction agreement with open land(Note 4)	Shanghai No.7 Construction Co., Ltd.	05/10/2014 § 06/23/2017	The Company's subsidiary Sinyi Real Estate (Shanghai) Limited delegated Shanghai No.7 Construction Co., Ltd. to carry out the delegated construction with the own land located at No. 17-01 Malu Township, Jiading District, Shanghai which was awarded in an open tender. (The 2nd Phase of Project "SinyiJiating")

Attributes of agreements/ contracts	Key parties	Duration of the agreements/ contracts (mm/dd/yy)	Highlights of contents/restrictive terms
Delegated construction agreement with open land	Shanghai No.7 Construction Co., Ltd.	09/03/2019 § (Note 5)	The Company's subsidiary S Jiu Xin Estate (Wuxi) Limited delegated Shanghai No.7 Construction Co., Ltd. to carry out the delegated construction with the own land located at XDG-2016-37 Wuxi which was awarded in an open tender. (Project "ShanshuiJiating")
Delegated construction agreement with open land(Note 3)	PanaHome Taiwan Co., Ltd. (PHTW)	09/01/2014 § 03/06/2019	The Company's subsidiary Sinyi Development Co., Ltd. teamed up with PanaHome Taiwan Co., Ltd. (PHTW) to carry out delegated construction on own land for the land located in Tianmu Section, Taipei City. (Project "SinyiQian- Shi")
Delegated construction agreement with open land	Joyear Group	09/24/2019 § (Note 5)	The Company's subsidiary Sinyi Development Co., Ltd. teamed up with Joyear Group to carry out delegated construction on our own land located in the Yungtsuei section of New Taipei City. (Project Sinyi "Jiahe")
Right-to-use Land Transfer Agreement	Mengalum Tours & Dive Resort Sdh. Bhd.	12/31/2019	The company's subsidiary SIN CHIUN HOLDING SDN. BHD. and Mengalum Tours & Dive Resort Sdh. Bhd. signed a Land Use Rights Transfer Agreement, where the right to use the land of about 100 hectares and its above-ground property on Mengalum Island in Sabah, Malaysia, shall be paid for with 82,500,000 Malaysian ringgit. As of the end of March 2020, the transfer process has not been completed.

Note 1: With restrictive terms that the agreement would be automatically renewed upon expiry of one-year term.

Note 2: The contractual relationship is automatic renewal, unless either of the two parties requests to terminate.

Note 3: The construction is completed, and the contract is still within its warranty period.

Note 4: The construction is completed; however, the payment will be due after the buyer's inspection and acceptance, and the contract is still within its warranty period.

Note 5: The construction is in process and due date of the contract shall be the date of acceptance completed.

Chapter Seven. Financial Information

I. The condensed balance sheet and Statement of Comprehensive Income for the past five years

(I) Information for Condensed Balance Sheet and Statement of Comprehensive Income

1. Condensed Consolidated Balance Sheet

Expressed in Thousands of New Taiwan Dollars

Item	Year						Financial information as of March 31, 2020 (Note 1)	
	2019	2018	2017	2016	2015			
Current Assets	20,721,029	22,442,820	20,789,940	17,543,826	13,809,601		-	
Financial assets measured at fair value through other comprehensive income	349,958	393,127	-	-	-		-	
Financial assets measured at cost - non-current	-	-	204,976	207,335	252,322		-	
Property, plant and equipment	3,495,635	3,553,206	3,392,572	3,474,237	3,561,920		-	
Right-of-use asset	4,320,872	-	-	-	-		-	
Investment properties	2,255,011	2,083,520	2,265,661	2,269,286	2,816,292		-	
Intangible assets	97,281	115,329	103,988	136,978	144,763		-	
Other assets	430,997	256,062	198,979	237,602	187,106		-	
Total assets	31,670,783	28,844,064	26,956,116	23,869,264	20,772,004		-	
Current liabilities	Before distribution	4,866,062	7,302,417	6,629,601	10,417,451	5,518,169		-
	After distribution (Note 2)	-	8,260,317	8,258,351	11,049,291	5,960,457		-
Non-current liabilities	15,816,690	10,477,414	8,896,527	4,063,424	5,931,457		-	
Total liabilities	Before distribution	20,682,752	17,779,831	15,526,128	14,480,875	11,449,626		-
	After distribution (Note 2)	-	18,737,731	17,154,878	15,112,715	11,891,914		-
The Equity Attributable to Shareholders of the Parent	10,876,370	10,965,080	11,298,656	9,278,577	9,196,734		-	
Capital stock	7,368,465	7,368,465	6,515,000	6,318,398	6,318,398		-	
Capital surplus	63,896	64,528	63,896	63,896	63,896		-	
Retained earnings	Before distribution	4,031,323	3,772,523	4,760,590	2,817,514	2,379,746		-
	After distribution (Note 2)	-	2,814,623	2,278,375	1,989,072	1,937,458		-
Other equity	(587,314)	(240,436)	(40,830)	78,769	546,145		-	
Treasury stock	-	-	-	-	-		-	
Non-controlling Interests	111,661	99,153	131,332	109,812	125,644		-	
Total equity	Before distribution	10,988,031	11,064,233	11,429,988	9,388,389	9,322,378		-
	After distribution (Note 2)	-	10,106,333	9,801,238	8,756,549	8,880,090		-

Note 1: As of the printing date of this Annual Report, the financial statements of the first quarter of 2020 had not been reviewed by the Certified Public Accountant.

Note 2: Duly entered based on the decisions to be resolved in the shareholders' meeting of the ensuing year. The annual shareholders meeting for 2020 has not been convened.

2. Condensed Consolidated Statement of Comprehensive Income

Expressed in Thousands of New Taiwan Dollars

Item	Year					Financial information as of March 31, 2020 (Note 1)
	2019	2018	2017	2016	2015	
Operating revenues	12,438,032	12,902,958	17,806,781	7,588,820	7,523,143	-
Gross operating profit	3,914,159	4,222,566	5,769,616	1,688,326	1,799,515	-
Operating gain/loss	1,971,558	2,644,902	4,463,860	538,342	506,532	-
Non-Operating revenues and expenditures	85,128	174,650	165,692	550,084	277,494	-
Net profit before tax	2,056,686	2,819,552	4,629,552	1,088,426	784,026	-
Net profit for the year of continuing operations	1,276,205	1,490,923	2,827,115	924,588	586,361	-
Loss from discontinued operations	-	-	-	-	-	-
Net profit for the year (loss)	1,276,205	1,490,923	2,827,115	924,588	586,361	-
Other consolidated gain/loss for the year (net after tax)	(389,507)	(274,422)	(150,773)	(395,731)	(130,360)	-
Total amount of consolidated gain/loss for the year	886,698	1,216,501	2,676,342	528,857	456,001	-
Net profit contributed to the Parent Company	1,262,934	1,504,587	2,802,827	919,865	563,865	-
Net profit contributed to the Non-controlled equity	13,271	(13,664)	24,288	4,723	22,496	-
Total amount of consolidated gain/loss contributed to the Parent Company	873,591	1,230,557	2,651,919	524,131	433,558	-
Total amount of consolidated gain/loss contributed to the non-controlled equity	13,107	(14,056)	24,423	4,726	22,443	-
Earnings per share (Note 2)	1.71	2.04	3.80	1.25	0.77	-

Note 1: As of the printing date of this Annual Report, the financial statements of the first quarter of 2020 had not been reviewed by the Certified Public Accountant.

Note 2: The earnings per share (EPS) had been already adjusted retrospectively for capital increase by earnings re-capitalization for allocation of shares.

3. Condensed Individual Balance Sheet

Expressed in Thousands of New Taiwan Dollars

Year		2019	2018	2017	2016	2015	Financial information as of March 31, 2020 (Note 1)
Item							
Current Assets		1,969,195	3,541,117	2,532,244	2,853,082	2,059,239	-
Investments accounted for using equity method		15,842,676	15,227,595	13,351,473	6,465,505	7,060,348	-
Property, plant and equipment		2,787,335	2,764,481	2,647,588	2,696,461	2,759,843	-
Right-of-use asset		2,539,100	-	-	-	-	-
Investment properties		2,629,342	2,590,762	2,726,105	2,731,236	2,759,442	-
Intangible assets		36,674	42,188	50,503	76,405	78,801	-
Other assets		219,905	209,688	160,518	166,341	192,790	-
Total assets		26,024,227	24,375,831	21,468,431	14,989,030	14,910,463	-
Current liabilities	Before distribution	2,611,878	3,388,919	3,971,607	1,736,754	1,589,937	-
	After distribution (Note 2)	-	4,346,819	5,600,357	2,565,196	2,032,225	-
Non-current liabilities		12,535,979	10,021,832	6,198,168	3,973,699	4,123,792	-
Total liabilities	Before distribution	15,147,857	13,410,751	10,169,775	5,710,453	5,713,729	-
	After distribution (Note 2)	-	14,368,651	11,798,525	6,538,895	6,156,017	-
Capital stock		7,368,465	7,368,465	6,515,000	6,318,398	6,318,398	-
Capital surplus		63,896	64,528	63,896	63,896	63,896	-
Retained earnings	Before distribution	4,031,323	3,772,523	4,760,590	2,817,514	2,379,746	-
	After distribution (Note 2)	-	2,814,623	2,278,375	1,989,072	1,937,458	-
Treasury stock		-	-	-	-	-	-
Total equity	Before distribution	10,876,370	10,965,080	11,298,656	9,278,577	9,196,734	-
	After distribution (Note 2)	-	10,007,180	9,669,906	8,646,737	8,754,446	-

Note 1: As of the printing date of this Annual Report, the financial statements of the first quarter of 2020 had not been reviewed by the Certified Public Accountant.

Note 2: Duly entered based on the decisions to be resolved in the shareholders' meeting of the ensuing year. The annual shareholders meeting for 2020 has not been convened.

4. Condensed Individual Statement of Comprehensive Income

Expressed in Thousands of New Taiwan Dollars

Item	Year					Financial information as of March 31, 2020 (Note 1)
	2019	2018	2017	2016	2015	
Operating revenue	9,476,074	7,881,107	6,886,597	6,123,679	6,140,394	-
Gross profit	2,810,817	2,241,229	1,929,368	1,552,603	1,456,242	-
Operating gain/loss	1,725,386	1,323,532	1,082,720	837,764	624,499	-
Non-operating revenues and expenditures	(119,762)	699,187	1,913,412	243,223	99,847	-
Net profit before tax	1,605,624	2,022,719	2,996,132	1,080,987	724,346	-
Net profit for the year of continuing operations	1,262,934	1,504,587	2,802,827	919,865	563,865	-
Loss from discontinued operations	-	-	-	-	-	-
Net profit for the year	1,262,934	1,504,587	2,802,827	919,865	563,865	-
Other consolidated gain/loss for the year (net after tax)	(389,343)	(274,030)	(150,908)	(395,734)	(130,307)	-
Total amount of consolidated gain/loss for the year	873,591	1,230,557	2,651,919	524,131	433,558	-
Earnings per share (Note 2)	1.71	2.04	3.80	1.25	0.77	-

Note 1: As of the printing date of this Annual Report, the financial statements of the first quarter of 2020 had not been reviewed by the Certified Public Accountant.

Note 2: The earnings per share (EPS) in 2015 to 2017 had already been adjusted retrospectively for capital increase by earnings re-capitalization for allocation of shares.

(II) Names of CPAs and their audit opinions for the past five years

	2019	2018	2017	2016	2015
CPA	Shyu Wen-Yea, Lai Kwan-Chung	Shyu Wen-Yea, Lai Kwan-Chung	Shyu Wen-Yea, Lai Kwan-Chung	Shyu Wen-Yea, Lai Kwan-Chung	Yang Min-Hsien, Wang Tzu-Chun
Audit Opinions	Unqualified opinion with emphasis of matters	Unqualified opinion with emphasis of matters	Unqualified opinion	Unqualified opinion	Unqualified opinion

II. Financial Analyses for the Past Five Years

(I) Financial analyses – adopting International Financial Reporting Standards (IFRSs)

1. Consolidated Financial Statement

Analyzed Item	Year	2019	2018	2017	2016	2015	As of March 31, 2020 (Note 2)
	Capital Structure (%)	Liabilities to assets ratio (%)	65.31	61.64	57.60	60.67	55.12
	Long-term funds to property, plant and equipment ratio (%)	662.59	586.39	584.14	371.57	405.17	-
Liquidity (%)	Current ratio (%)	425.83	307.33	313.59	168.41	250.26	-
	Quick Ratio (%)	204.22	154.55	134.64	86.30	129.74	-
	Interest coverage ratio (times)	12.23	26.12	59.37	19.86	12.76	-
Operating ability	Accounts receivable turnover rate (times)	11.86	13.77	20.82	9.45	9.45	-
	Average days of accounts receivable (days)	31	27	18	39	39	-
	Inventory turnover rate (times) (Note 3)	0.08	0.16	0.62	-	-	-
	Accounts payable turnover rate (times) (Note 3)	1.61	4.41	47.22	-	-	-
	Average days of sales (days) (Note 3)	4,308	2,223	585	-	-	-
	Property, plant and equipment and right-of-use assets turnover rate (times)	1.69	3.72	5.19	2.16	2.10	-
	Total assets turnover rate (times)	0.41	0.46	0.70	0.34	0.39	-
Profitability	Return on assets (%)	4.68	5.67	11.38	4.36	3.33	-
	Return on equity (%)	11.57	13.26	27.16	9.88	6.23	-
	Net gains before tax to paid-in capital ratio (%)	27.91	38.27	71.06	17.23	12.41	-
	Net gains ratio (%)	10.26	11.55	15.88	12.18	7.79	-
	Earnings per share (\$) (Note 4)	1.71	2.04	3.80	1.25	0.77	-
Cash flow	Cash flow ratio (%)	119.65	26.91	-	28.68	29.86	-
	Cash flow adequacy ratio (%)	92.59	48.95	28.03	45.26	34.73	-
	Cash reinvestment ratio (%)	17.21	1.50	-	17.90	6.45	-
Leverage	Operating leverage	4.23	3.56	1.94	8.98	9.61	-
	Financial leverage	1.10	1.04	1.02	1.12	1.15	-
Descriptions on change in financial ratios up to 20% in the past two years							
Description 1. The current ratio and the quick ratio in 2019 increased by 39% and 32% respectively mainly due to the paid offs of short term loans and corporate bond with maturity of 1 year.							
Description 2. The interest coverage ratio decreased in 2019 due to the decrease of pre-tax income by 27% and the increase of interest expense of NT\$71million recognized under interest method for the implementation of IFRS16 to recognize a right-of-use asset and lease liability of rental of office and equipment.							
Description 3. The 2019 receivables turnover rate decreased by 13% compared with that of 2018, mainly due to the subsidiary in China have received all the payments before delivery and so there are no receivables. By excluding such sales in 2019 and 2018, the receivable turnover rates would be 10.41 and 9.97, respectively.							
Description 4. The inventory turnover rate in 2019 has decreased by 48% and the average days of sales increased by 94% compared with those in 2018. These were mainly caused by a decrease of 51% of 2019 cost of sales from the concentrated delivery of housing units when compared with that of the year before.							
Description 5. The payable turnover rate in 2019 has decreased by 63% compared to that of 2018, and this is mainly caused by the decreasing cost of sales from the concentrated delivery of housing units by 51% in 2018 and the average amount of construction payables increased in 2019. Since the land is not paid off by accounts payables, and the majority of the construction payment is supported by receipt in advanced for the pre-sale and construction financing. Therefore, the accounts payable turnover rate here in only a reference indicator.							
Description 6. The Property, plant and equipment and right-of-use assets turnover rate in 2019 have decreased by 55% and this is due to the change of recognizing the right-of-use assets on lease office and equipment due to the implementation of IFRS 16.							
Description 7. The financial ratio related to profitability in 2019 is lower than that in 2018. This is mainly caused by a decrease in 2019 of the Company's subsidiaries' number of housing units sold compared with the previous year and therefore caused the relevant profit to decrease accordingly. In addition to that, the marketing expense of the subsidiaries' construction projects for pre-sale increased which caused a decrease in consolidated pre-tax and after-tax net profit.							
Description 8. The financial ratios related to cash flows in 2019 are higher than that in 2018. This is mainly caused by a transferring of a matured subsidiary's guaranteed financial products into term deposits which then generated more cash inflow from operation by NT\$4.7 billion.							

Note 1: As of the printing date of this Annual Report, the financial statements of the first quarter of 2020 had not been reviewed by the Certified Public Accountant.

Note 2: Where the company in the present merger has not started sales of construction products, the inventory turnover rate is not applicable temporarily from 2015 to 2016.

Note 3: Earnings per share have been retrospectively adjusted for stock dividend distribution for capital increase by earnings re-capitalization.

2. Individual Financial Statement

Analyzed Item	Year	2019	2018	2017	2016	2015	As of March 31, 2020 (Note 2)
Capital Structure (%)	Liabilities to assets ratio (%)	58.21	55.02	47.37	38.10	38.32	-
	Long-term funds to property, plant and equipment ratio (%)	734.62	736.67	643.93	473.90	456.43	-
Liquidity (%)	Current ratio (%)	75.39	104.49	63.76	164.28	129.52	-
	Quick ratio (%)	74.68	103.71	63.29	160.51	127.84	-
	Interest Coverage ratio (times)	12.34	19.05	42.91	20.55	14.62	-
Operating ability	Accounts receivable turnover rate (times)	11.14	11.13	11.77	12.59	11.04	-
	Average days of accounts receivable (days)	33	33	31	29	34	-
	Inventory turnover rate (times) (Note 3)	-	-	-	-	-	-
	Accounts payable turnover rate (times) (Note 3)	-	-	-	-	-	-
	Average days of sales (days) (Note 3)	-	-	-	-	-	-
	Property, plant and equipment and right-of-use assets turnover rate (times)	1.79	2.91	2.58	2.24	2.07	-
	Total assets turnover rate (times)	0.36	0.34	0.38	0.41	0.41	-
Profitability	Return on assets (%)	5.20	6.96	15.70	6.46	4.03	-
	Return on equity (%)	11.56	13.52	27.24	9.96	6.07	-
	Net gains before tax to paid-in capital ratio (%)	21.79	27.45	45.99	17.11	11.46	-
	Net gains ratio (%)	13.33	19.09	40.70	15.02	9.18	-
	Earnings per share \$(Note 4)	1.71	2.04	3.80	1.25	0.77	-
Cash flow	Cash flow ratio (%)	85.14	35.66	25.56	42.12	27.18	-
	Cash flow adequacy ratio (%)	110.27	70.50	131.97	149.53	139.86	-
	Cash reinvestment ratio (%)	11.66	-	2.09	2.06	-	-
Leverage	Operating leverage	3.33	3.70	4.00	4.71	6.33	-
	Financial leverage	1.09	1.09	1.07	1.07	1.09	-

Descriptions on change in financial ratios up to 20% in the past two years

Note 1: The Current ratio and quick ratio have decreased in 2019 compared with 2018 by 28%. This is due to the decrease of bank deposit by NT\$1.9 billion which caused the current assets to drop by 44%. Also, redemption of short-term bank loans and 1-year maturity of corporate bond caused the current liabilities to drop by 23%.

Note 2: The Interest coverage ratio for 2019 has decreased compared with 2018 by 35%. This is mainly caused by an investment loss which decreased the pre-tax profit by 21% in the same year. Also, with the implementation of IFRS16, the recognition of a right-of-use asset and lease liability of a lease rental and an interest cost of NT\$33 million caused our interest expense increase.

Note 3: The Property, plant and equipment turnover rate in 2019 decreased by 38% compared with that in 2018. This is mainly caused by the recognition of right-of-use assets of a rental lease under IFRS16.

Note 4: The financial ratio related to profitability for 2019 is lower than in 2018. This is mainly caused by a decrease in recognized profit generated by construction projects of the Company's subsidiaries in 2019, and consequently both pre-tax and after-tax profit have decreased in the said year, with profit-making capabilities decreasing compared with the previous year.

Note 5: The Cash flow ratio in 2019 has increased by 139% compare with that in 2018. This is mainly caused by an increase of NT\$2.2 billion of cash inflow generated from operating activities in 2019 accompanied with the growth of the Company's revenue and profit. Also the redemption of corporate bonds has caused the current liabilities to decrease compared with the previous year.

Note 6: The Cash flow adequacy ratio for 2019 has increased by 56% compared with that in 2018, and this is mainly due to the growth of the Company's revenue and profit.

Note 7: The Cash reinvestment ratio in 2019 has increased compared with 2018. This is mainly due to the net cash inflow generated from operating activities in 2018 is lower than the amount of 2016 cash dividends paid in 2018.

Note 1: As of the printing date of this Annual Report, the financial statements of the first quarter of 2020 had not been reviewed by the Certified Public Accountant.

Note 2: Not applicable as the Company engages in real estate agent services.

Note 3: Earnings per share have been retrospectively adjusted for stock dividend distribution for capital increase by earnings re-capitalization.

1. Capital Structure

- (1) Liabilities to assets ratio = total liabilities / total assets
- (2) Long-term funds to property, plant and equipment ratio = (total equity + non-current liabilities) / net property, plant and equipment

2. Liquidity

- (1) Current ratio = current assets / current liabilities
- (2) Quick ratio = (current assets – inventory- prepaid expenses) / current liabilities
- (3) Interest coverage ratio (times) = net gains before income tax and interest / interest expenses of the current term

3. Operating ability

- (1) Account receivables (including Notes receivables from operating activities and accounts receivable) turnover = net sales/average receivables of each term (including notes receivables from operating activities and accounts receivable) balance prior to the deduction of allowance for bad debts.
- (2) Average days of accounts receivable = 365 / receivables turnover rate
- (3) Inventory turnover rate = COGS/average inventory amount
- (4) Account payables (including Notes payable from operating activities and accounts payable) turnover= COGS/average payables of each term (including Notes payable from operating activities and accounts payable) balance
- (5) Average days of sales = 365 / inventory turnover rate
- (6) Property, plant and equipment turnover rate = net sales / average net property, factory and equipment and net of right-of-use assets.
- (7) Total assets turnover rate = net sales / average total assets

4. Profitability

- (1) Return on assets = [gain/loss after tax + interest expense x (1-tax rate)] / average total asset
- (2) Return on equity = gain/loss after tax / average total equity
- (3) Net gains ratio = gain/loss after tax / net sales
- (4) Earnings per share = (the gain/loss contributed to the parent company – preferred stock dividend) / weighted average shares outstanding

5. Cash flow

- (1) Cash flow ratio= net cash flow of operating activities/current liabilities
- (2) Cash flow adequacy ratio= net cash flow of operating activities in the past five years / five years sum of (capital expenditures + incremental of right-of-use asset + inventory additions +cash dividends)
- (3) Cash reinvestment ratio=(net cash flow of operating activities- cash dividends) / (property, plant and equipment gross + gross of right-of-use assets + long term investment + other non-current assets + working capital)

6. Leverage :

- (1) Operating leverage = (operating revenue - variable operating cost and expenses)/operating income
- (2) Financial leverage = operating profit / (operating profit - interest expense)

Note 1: Those below have been taken into consideration when calculating earnings per share above:

1. EPS is calculated based on the weighted average outstanding shares instead of the outstanding shares as of end of the year.

2. The outstanding period shall be taken into consideration if any cash injection or treasury stock transaction occurs when calculating the weighted average outstanding shares.
3. The share shall be adjusted retroactively when calculating the EPSs of previous years instead of considering the issuing period of new capital if any stock dividend or capital surplus transferred to capital occurs.

Note 2: Those below have been taken into consideration when performing cash flow analysis:

1. Net cash flow of operating activities refers to the net cash inflow generated from operating activities.
2. Capital expenditures mean the cash outflow of capital investment each year.
3. Inventory additions are adopted only when the ending balance of inventory is more than the beginning balance of inventory. If the ending balance of inventory decreased compared to the beginning balance, the number of inventory additions shall be zero.
4. Incremental of right-of-use asset indicates the actual purchase of assets and repayment of principal of lease liability under the definition of IFRS 16.
5. Property, plant and equipment gross means property, plant and equipment before deduction of accumulated depreciation.
6. Gross of right-of-use assets indicates the Right-of-use assets total amount prior to the deduction of accumulated depreciation.

III. Audit Report of Audit Committee

Sinyi Realty Inc.

Audit Report of Audit Committee

We have agreed and submitted the Company's 2019 financial statements to the board of directors and obtained the approval of the board of directors. The financial statements have been audited by Deloitte & Touche engaged by the board of directors with an unqualified opinion in the independent auditor's report.

We audited the Company's 2019 business report and earning distribution proposal which have been resolved by the board of directors and has concluded that both of them are in accordance with the related regulations.

In Summary, the Company's 2019 financial statements which have been agreed by us and resolved by the board of directors, 2019 business report and earning distribution proposal which have been resolved by the board of directors and audited by us are all prepared in accordance with the related regulations. Pursuant to Article 219 of the Company Act, a report is submitted as above. Please review.

To
2020 Annual General Shareholders' Meeting

Sinyi Realty Inc.
Convener of Audit Committee: Yen, Lou-Yu

February 27, 2020

IV. The audited consolidated financial statements of the latest fiscal year and independent auditors' report

DECLARATION OF CONSOLIDATED FINANCIAL STATEMENTS OF AFFILIATES

The companies required to be included in the consolidated financial statements of affiliates in accordance with the "Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises" for the year ended December 31, 2019 are all the same as the companies required to be included in the consolidated financial statements of parent and subsidiary companies as provided in International Financial Reporting Standards No. 10, "Consolidated Financial Statements". Relevant information that should be disclosed in the consolidated financial statements of affiliates has all been disclosed in the consolidated financial statements of parent and subsidiary companies. Hence, we did not prepare a separate set of consolidated financial statements of affiliates.

Very truly yours,

SINYI REALTY INC.

By

February 27, 2020

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Sinyi Realty Inc.

Opinion

We have audited the accompanying consolidated financial statements of Sinyi Realty Inc. and its subsidiaries (collectively referred to as the “Group”), which comprise the consolidated balance sheets as of December 31, 2019 and 2018, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the “consolidated financial statements”).

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, 2019 and 2018, 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 International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China (ROC).

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards generally accepted in the ROC. 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 Accountant of the ROC, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

As stated in Note 3 to the consolidated financial statements, starting from 2019, the Group adopted and retroactively applied the amended Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), Interpretations of IFRS (IFRIC), and Interpretations of IAS (SIC) endorsed and issued by the Financial Supervisory Commission applicable starting from 2019. The Group chose not to restate the comparative information of consolidated financial statements. Even so, our opinion does not need to be modified in respect of this matter.

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 for the year ended December 31, 2019. 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.

The key audit matters identified in for the Group's consolidated financial statements for the year ended December 31, 2019 are stated as follows:

Revenue Earned from Sales of Real Estate

For the year ended December 31, 2019, the Group's revenue from the sales of real estate was NT\$1,688,401 thousand. Refer to Note 4 to the accompanying consolidated financial statements for the accounting policies of the Group. When the Group's real estate has reached the expected state of use and its has been accepted and qualified for use by relevant departments and the filing procedures have been completed, the Group issues a transfer notice of real estate based on the terms of the contract and recognizes sales revenue on the date of transfer. Since revenue from sales of real estate must be recognized after the real estate meets the above conditions, the recognition of revenue earned from the sale of real estate is regarded as a key audit matter.

We tested the controls to understand the timing of the revenue recognition of the sales of real estate. We also evaluated the design and implementation of the relevant control of the Group. We selected samples from sales transactions of the current year to review the sales contracts signed by both parties to understand the terms and conditions of the contracts, verified whether the collection records of such sales are consistent with the sales prices stated in contracts. We also verified the transfer notices and relevant transfer records to confirm that the revenue from sales of real estate was recognized after the completion of the transfer procedures in order to ensure that the revenue was earned and was properly recorded in the correct accounting period.

Valuation of Inventories

As of December 31, 2019, the carrying amount of inventories was NT\$10,682,189 thousand. In order to evaluate the net realizable value of its inventories, the Group had to take into consideration the rationality of the estimated selling price and additional costs, changes in the overall economic environment, and effects of changes in related business regulations. Since the carrying amount of inventory was considered significant to the consolidated financial statements and the evaluation of inventories' net realizable value is subject to management's significant judgment, we identified the valuation of inventory has been identified as a key audit matter.

We focused on the valuation of inventories at the balance sheets date. We selected samples from the inventory balance to assess and test the net realizable value of inventories estimated by the management as well as the rationale of key parameters used in the valuation. The procedures included but were not limited to inspecting the latest actual transaction price or market transaction price of similar real estate, and we recalculated the amount to determine if the net realizable value of inventories is not lower than the carrying amount. We inspected the selected samples and performed the recalculation procedures, and we verified the accuracy of the valuation of inventories.

Refer to the accompanying consolidated financial statements on the following notes regarding the valuation of inventories: Note 4 for the accounting policies of the Group, Note 5 for the description of critical accounting judgements and key sources of estimation uncertainty, and Note 10 for the related presentation and disclosures.

Other Matter

We have also audited the parent company only financial statements of Sinyi Realty Inc. as of and for the years ended December 31, 2019 and 2018 on which we have both issued the unmodified opinion with emphasis of matter.

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 IFRS, IAS, IFRIC and SIC endorsed and issued into effect by the ROC Financial Supervisory Commission, and for such internal control as management determines is necessary to enable the preparation of the 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, including the audit committee, 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 auditors' 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 auditing standards generally accepted in ROC 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 auditing standards generally accepted in ROC, we exercise professional judgment and maintain 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 auditors' 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 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 for the year ended December 31, 2019 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 Wen-Yea Shyu and Kwan-Chung Lai.

Deloitte & Touche
Taipei, Taiwan
Republic of China

February 27, 2020

Notice to Readers

The accompanying consolidated financial statements are intended only to present the consolidated financial position, financial performance and cash flows in accordance with 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 applied in the Republic of China.

For the convenience of readers, the independent auditors' report and the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and consolidated financial statements shall prevail.

SINYI REALTY INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS DECEMBER 31, 2019 AND 2018 (In Thousands of New Taiwan Dollars)

ASSETS	2019		2018	
	Amount	%	Amount	%
CURRENT ASSETS				
Cash and cash equivalents (Notes 4 and 6)	\$ 7,480,172	24	\$ 4,551,253	16
Financial assets at fair value through profit or loss - current (Notes 4 and 7)	74,633	-	4,702,735	16
Financial assets at fair value through other comprehensive income - current (Notes 4 and 8)	999,379	3	785,371	3
Notes receivable (Notes 4 and 9)	45,814	-	52,755	-
Trade receivables (Notes 4, 9 and 36)	1,040,300	3	925,560	3
Other receivables (Notes 4, 9 and 36)	34,573	-	47,569	-
Current tax assets (Notes 4 and 29)	23,501	-	64,742	-
Inventories (Notes 4, 5, 10 and 37)	10,682,189	34	11,054,987	38
Other financial assets - current (Notes 11 and 37)	239,049	1	155,706	1
Other current assets (Note 18)	101,419	-	102,142	1
Total current assets	<u>20,721,029</u>	<u>65</u>	<u>22,442,820</u>	<u>78</u>
NON-CURRENT ASSETS				
Financial assets at fair value through other comprehensive income - non-current (Notes 4 and 8)	349,958	1	393,127	1
Investments accounted for using equity method (Notes 4 and 13)	31,900	-	27,554	-
Property, plant and equipment (Notes 4, 14 and 37)	3,495,635	11	3,553,206	12
Right-of-use assets (Notes 3, 4 and 15)	4,320,872	14	-	-
Investment properties (Notes 4, 16 and 37)	2,255,011	7	2,083,520	7
Intangible assets (Notes 4, 17, 31 and 39)	97,281	-	115,329	1
Deferred tax assets (Notes 4 and 29)	212,534	1	82,663	-
Refundable deposits	122,928	1	143,620	1
Other non-current assets (Note 18)	63,635	-	2,225	-
Total non-current assets	<u>10,949,754</u>	<u>35</u>	<u>6,401,244</u>	<u>22</u>
TOTAL	<u>\$ 31,670,783</u>	<u>100</u>	<u>\$ 28,844,064</u>	<u>100</u>
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings (Notes 19 and 37)	\$ -	-	\$ 748,000	2
Contract liabilities - current (Notes 22 and 27)	284,387	1	694,468	2
Notes payable	319	-	643	-
Trade payables (Note 21)	379,619	1	766,021	3
Other payables (Note 23)	2,618,266	8	2,219,129	8
Current tax liabilities (Notes 4, 5 and 29)	941,277	3	1,153,996	4
Provisions - current (Notes 4 and 24)	9,374	-	6,322	-
Lease liability - current (Notes 3, 4, 15 and 36)	488,421	2	-	-
Current portion of long-term borrowings and bonds payable (Notes 19, 20 and 37)	25,295	-	1,507,682	5
Other current liabilities (Note 23)	119,104	-	206,156	1
Total current liabilities	<u>4,866,062</u>	<u>15</u>	<u>7,302,417</u>	<u>25</u>
NON-CURRENT LIABILITIES				
Bonds payable (Note 20)	5,300,000	17	4,400,000	15
Long-term borrowings (Notes 19 and 37)	6,873,817	22	5,371,478	19
Lease liability - non-current (Notes 3, 4, 15 and 36)	2,795,104	9	-	-
Net defined benefit liabilities - non-current (Notes 4 and 25)	157,406	-	114,862	1
Guarantee deposits received	35,190	-	43,028	-
Other non-current liabilities (Note 23)	653,501	2	514,141	2
Deferred tax liabilities (Notes 4 and 29)	1,672	-	33,905	-
Total non-current liabilities	<u>15,816,690</u>	<u>50</u>	<u>10,477,414</u>	<u>37</u>
Total liabilities	<u>20,682,752</u>	<u>65</u>	<u>17,779,831</u>	<u>62</u>
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Note 26)				
Ordinary shares	7,368,465	23	7,368,465	26
Capital surplus	63,896	-	64,528	-
Retained earnings				
Legal reserve	2,224,122	7	2,073,664	7
Special reserve	240,436	1	40,830	-
Unappropriated earnings	1,566,765	5	1,658,029	6
Total retained earnings	4,031,323	13	3,772,523	13
Other equity (Notes 4 and 26)				
Exchange differences on translating the financial statements of foreign operations	(1,196,665)	(4)	(681,439)	(2)
Unrealized gain on investments in equity instruments at fair value through other comprehensive income	609,351	2	441,003	1
Total other equity	(587,314)	(2)	(240,436)	(1)
Total equity attributable to owners of the Company	10,876,370	34	10,965,080	38
NON-CONTROLLING INTERESTS (Note 26)	<u>111,661</u>	<u>1</u>	<u>99,153</u>	<u>-</u>
Total equity	<u>10,988,031</u>	<u>35</u>	<u>11,064,233</u>	<u>38</u>
TOTAL	<u>\$ 31,670,783</u>	<u>100</u>	<u>\$ 28,844,064</u>	<u>100</u>

The accompanying notes are an integral part of the consolidated financial statements.

(With Deloitte & Touche auditors' report dated February 27, 2020)

SINYI REALTY INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2019		2018	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 4, 27, 36 and 42)				
Sales revenue	\$ 1,688,401	14	\$ 3,644,688	28
Service revenue	<u>10,749,631</u>	<u>86</u>	<u>9,258,270</u>	<u>72</u>
Total operating revenue	<u>12,438,032</u>	<u>100</u>	<u>12,902,958</u>	<u>100</u>
OPERATING COSTS (Notes 10, 25, 28 and 36)				
Cost of sales	921,728	7	1,867,712	14
Service cost	<u>7,602,145</u>	<u>61</u>	<u>6,812,680</u>	<u>53</u>
Total operating costs	<u>8,523,873</u>	<u>68</u>	<u>8,680,392</u>	<u>67</u>
GROSS PROFIT	<u>3,914,159</u>	<u>32</u>	<u>4,222,566</u>	<u>33</u>
OPERATING EXPENSES (Notes 9, 25, 28 and 36)				
Management expense	1,945,021	16	1,565,475	12
Expect credit loss (gain)	<u>(2,420)</u>	<u>-</u>	<u>12,189</u>	<u>-</u>
Total operating expenses	<u>1,942,601</u>	<u>16</u>	<u>1,577,664</u>	<u>12</u>
OPERATING INCOME	<u>1,971,558</u>	<u>16</u>	<u>2,644,902</u>	<u>21</u>
NON-OPERATING INCOME AND EXPENSES				
Rental income (Note 36)	82,857	1	85,069	1
Dividend income	22,849	-	41,198	-
Interest income (Note 28)	70,961	-	15,033	-
Other gains (Notes 28 and 36)	91,643	1	145,573	1
Finance costs (Notes 28 and 36)	<u>(183,182)</u>	<u>(2)</u>	<u>(112,223)</u>	<u>(1)</u>
Total non-operating income and expenses	<u>85,128</u>	<u>-</u>	<u>174,650</u>	<u>1</u>
PROFIT BEFORE INCOME TAX FROM CONTINUING OPERATIONS	2,056,686	16	2,819,552	22
INCOME TAX EXPENSE (Notes 4 and 29)	<u>(780,481)</u>	<u>(6)</u>	<u>(1,328,629)</u>	<u>(11)</u>
NET PROFIT FOR THE YEAR	<u>1,276,205</u>	<u>10</u>	<u>1,490,923</u>	<u>11</u>

(Continued)

SINYI REALTY INC. AND SUBSIDIARIES

**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)**

	<u>2019</u>		<u>2018</u>	
	Amount	%	Amount	%
OTHER COMPREHENSIVE (LOSS) INCOME				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans (Note 25)	\$ (53,288)	-	\$ (36,773)	-
Unrealized gain on investments in equity instruments at fair value through other comprehensive income	164,970	1	35,301	-
Share of the other comprehensive income (loss) of associates accounted for using the equity method	3,378	-	(309)	-
Income tax relating to items that will not be reclassified subsequently to profit or loss (Note 29)	10,658	-	12,078	-
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating the financial statements of foreign operations	<u>(515,225)</u>	<u>(4)</u>	<u>(284,719)</u>	<u>(2)</u>
Other comprehensive loss for the year, net of income tax	<u>(389,507)</u>	<u>(3)</u>	<u>(274,422)</u>	<u>(2)</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 886,698</u>	<u>7</u>	<u>\$ 1,216,501</u>	<u>9</u>
NET PROFIT ATTRIBUTABLE TO:				
Owners of the Company	\$ 1,262,934	10	\$ 1,504,587	12
Non-controlling interests	<u>13,271</u>	<u>-</u>	<u>(13,664)</u>	<u>-</u>
	<u>\$ 1,276,205</u>	<u>10</u>	<u>\$ 1,490,923</u>	<u>12</u>
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Owners of the Company	\$ 873,591	7	\$ 1,230,557	9
Non-controlling interests	<u>13,107</u>	<u>-</u>	<u>(14,056)</u>	<u>-</u>
	<u>\$ 886,698</u>	<u>7</u>	<u>\$ 1,216,501</u>	<u>9</u>
EARNINGS PER SHARE (Note 30)				
Basic	<u>\$1.71</u>		<u>\$2.04</u>	
Diluted	<u>\$1.71</u>		<u>\$2.04</u>	

The accompanying notes are an integral part of the consolidated financial statements.

(With Deloitte & Touche auditors' report dated February 27, 2020)

(Concluded)

SINYI REALTY INC. AND SUBSIDIARIES

**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018
(In Thousands of New Taiwan Dollars)**

	Equity Attributable to Owners of the Company					Other Equity			Total	Non-controlling Interests	Total Equity
	Ordinary Share	Capital Surplus	Retained Earnings		Unappropriated Earnings	Exchange Differences on Translating the Financial Statements of Foreign Operations	Unrealized Gain on Investments in Equity Instruments at Fair Value through Other Comprehensive Income	Unrealized Gain on Available-for-sale Financial Assets			
			Legal Reserve	Special Reserve							
BALANCE AT JANUARY 1, 2018	\$ 6,515,000	\$ 63,896	\$ 1,793,382	\$ -	\$ 2,967,208	\$ (396,805)	\$ -	\$ 355,975	\$ 11,298,656	\$ 131,332	\$ 11,429,988
Effect of retrospective application and retrospective restatement	-	-	-	-	13,949	-	406,011	(355,975)	63,985	-	63,985
BALANCE AT JANUARY 1, 2018 AS RESTATED	6,515,000	63,896	1,793,382	-	2,981,157	(396,805)	406,011	-	11,362,641	131,332	11,493,973
Appropriation of 2017 earnings											
Legal reserve	-	-	280,282	-	(280,282)	-	-	-	-	-	-
Special reserve	-	-	-	40,830	(40,830)	-	-	-	-	-	-
Cash dividends	-	-	-	-	(1,628,750)	-	-	-	(1,628,750)	-	(1,628,750)
Share dividends	853,465	-	-	-	(853,465)	-	-	-	-	-	-
Actual disposals of interests in subsidiaries	-	632	-	-	-	-	-	-	632	4,368	5,000
Net profit (loss) for the year ended December 31, 2018	-	-	-	-	1,504,587	-	-	-	1,504,587	(13,664)	1,490,923
Other comprehensive (loss) income for the year ended December 31, 2018, net of income tax	-	-	-	-	(24,388)	(284,634)	34,992	-	(274,030)	(392)	(274,422)
Total comprehensive income (loss) for the year ended December 31, 2018	-	-	-	-	1,480,199	(284,634)	34,992	-	1,230,557	(14,056)	1,216,501
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	(22,491)	(22,491)
BALANCE AT DECEMBER 31, 2018	7,368,465	64,528	2,073,664	40,830	1,658,029	(681,439)	441,003	-	10,965,080	99,153	11,064,233
Appropriation of 2018 earnings											
Legal reserve	-	-	150,458	-	(150,458)	-	-	-	-	-	-
Special reserve	-	-	-	199,606	(199,606)	-	-	-	-	-	-
Cash dividends	-	-	-	-	(957,900)	-	-	-	(957,900)	-	(957,900)
Actual acquisition of interests in subsidiaries	-	(632)	-	-	(3,769)	-	-	-	(4,401)	(599)	(5,000)
Net profit for the year ended December 31, 2019	-	-	-	-	1,262,934	-	-	-	1,262,934	13,271	1,276,205
Other comprehensive (loss) income for the year ended December 31, 2019, net of income tax	-	-	-	-	(42,465)	(515,226)	168,348	-	(389,343)	(164)	(389,507)
Total comprehensive (loss) income for the year ended December 31, 2019	-	-	-	-	1,220,469	(515,226)	168,348	-	873,591	13,107	886,698
BALANCE AT DECEMBER 31, 2019	\$ 7,368,465	\$ 63,896	\$ 2,224,122	\$ 240,436	\$ 1,566,765	\$ (1,196,665)	\$ 609,351	\$ -	\$ 10,876,370	\$ 111,661	\$ 10,988,031

The accompanying notes are an integral part of the consolidated financial statements.

(With Deloitte & Touche auditors' report dated February 27, 2020)

SINYI REALTY INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018 (In Thousands of New Taiwan Dollars)

	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 2,056,686	\$ 2,819,552
Adjustments for:		
Expected credit loss recognized/(reversed) on trade receivables	2,420	(12,356)
Depreciation expenses	656,042	124,538
Amortization expenses	30,875	32,632
Net gain on financial assets at fair value through profit or loss	(66,009)	(134,826)
Finance costs	253,367	175,087
Interest income	(70,961)	(15,033)
Dividend income	(22,849)	(41,198)
Share of (gain) loss of associates and joint ventures	(1,525)	992
Loss on disposal of property, plant and equipment	261	3,540
(Gain) loss on disposal of investment properties	(7,961)	3,901
Gain on disposal of investments	-	(1,321)
Impairment loss recognized on non-financial assets	48,221	3,103
Changes in operating assets and liabilities		
Financial assets at fair value through profit or loss	4,693,538	(1,547,124)
Notes receivable	6,941	(24,598)
Trade receivables	(117,160)	(60,204)
Other receivables	8,035	1,132
Inventories	(33,525)	472,570
Other current assets	735	63,988
Contract liabilities	(388,095)	535,703
Notes payable	(324)	(923)
Trade payables	(386,402)	684,592
Other payables	410,437	172,520
Provisions	3,052	(50,354)
Other current liabilities	(87,052)	8,553
Other operating liabilities	139,274	138,602
Cash generated from operations	7,128,021	3,353,068
Interest received	71,448	14,239
Interest paid	(263,231)	(164,039)
Income tax paid	(1,114,063)	(1,238,005)
Net cash generated from operating activities	<u>5,822,175</u>	<u>1,965,263</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at fair value through other comprehensive income	(31,715)	(48,774)
Capital reduction and refund from financial assets measured at fair value through other comprehensive gains and losses	4,474	-
Net cash (outflow) inflow on acquisition of subsidiaries	(5,464)	4,740
Partial disposal of interests in subsidiaries	-	5,000
Payments for property, plant and equipment	(107,455)	(97,580)
Proceeds from disposal of property, plant and equipment	1,541	190

(Continued)

SINYI REALTY INC. AND SUBSIDIARIES

**CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018
(In Thousands of New Taiwan Dollars)**

	2019	2018
Increase in refundable deposits	\$ -	\$ (12,818)
Decrease in refundable deposits	6,390	-
Payments for intangible assets	(19,694)	(30,587)
Proceeds from disposal of intangible assets	689	-
Payments for right-of-use assets	(1,048,087)	-
Payments for investment properties	(94,324)	(28,215)
Proceeds from disposal of investment properties	35,350	8,792
Increase in other financial assets	(83,343)	-
Decrease in other financial assets	-	21,547
(Increase) decrease in other non-current assets	(61,410)	1,359
Dividends received	<u>23,406</u>	<u>41,463</u>
Net cash used in investing activities	<u>(1,379,642)</u>	<u>(134,883)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of short-term borrowings	(748,000)	(860,000)
Proceeds from bond payables	900,000	4,400,000
Repayments of bond payables	(1,500,000)	(1,500,000)
Proceeds from long-term borrowings	18,897,176	15,253,920
Repayment of long-term borrowings	(17,318,935)	(16,805,570)
Proceeds from guarantee deposits received	-	413
Refund of guarantee deposits received	(7,838)	-
Decrease in other payables to related parties	-	(800)
Repayment of the principal portion of lease liabilities	(520,065)	-
Dividends paid to owners of the Company	(957,900)	(1,628,750)
Acquisition of partial interests in subsidiaries	(5,000)	-
Changes in non-controlling interests	<u>-</u>	<u>(22,491)</u>
Net cash used in financing activities	<u>(1,260,562)</u>	<u>(1,163,278)</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	<u>(253,052)</u>	<u>(15,680)</u>
INCREASE IN CASH AND CASH EQUIVALENTS	2,928,919	651,422
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>4,551,253</u>	<u>3,899,831</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 7,480,172</u>	<u>\$ 4,551,253</u>

The accompanying notes are an integral part of the consolidated financial statements.

(With Deloitte & Touche auditors' report dated February 27, 2020)

(Concluded)

SINYI REALTY INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2019 AND 2018

(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

1. GENERAL INFORMATION

Sinyi Realty Inc. (the “Company”) was incorporated in January 1987 and engages in the operation of a full-service real-estate brokerage business. The head office is situated in Taipei City, Taiwan, Republic of China (ROC). The Company continues to expand by establishing branches in Taiwan and highly focuses on promoting its brand value.

In August 1999, the Securities and Futures Bureau (SFB) approved the trading of the Company’s ordinary shares on the over-the-counter (OTC) securities exchange in the ROC. In September 2001, the SFB approved the listing of the Company’s shares on the Taiwan Stock Exchange (TWSE).

The consolidated financial statements were presented New Taiwan dollars, the functional currency of the Company.

2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved by the board of directors and authorized for issue on February 27, 2020.

3. APPLICATION OF NEW, AMENDED AND REVISED STANDARDS AND INTERPRETATIONS

a. Initial application of the amendments to the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), Interpretations of IFRS (IFRIC), and Interpretations of IAS (SIC) (collectively, the “IFRSs”) endorsed and issued into effect by the Financial Supervisory Commission (FSC)

- IFRS 16 “Leases”

IFRS 16 provides a comprehensive model for the identification of lease arrangements and their treatment in the financial statements of both the lessee and the lessor. It supersedes IAS 17 “Leases”, IFRIC 4 “Determining whether an Arrangement contains a Lease”, and a number of related interpretations. Refer to Note 4 for information relating to the relevant accounting policies.

Definition of a lease

The Group elects to apply the guidance of IFRS 16 in determining whether contracts are, or contain, a lease only to contracts entered into (or changed) on or after January 1, 2019. Contracts identified as containing a lease under IAS 17 and IFRIC 4 are not reassessed and are accounted for in accordance with the transitional provisions under IFRS 16.

The Group as lessee

The Group recognizes right-of-use assets and lease liabilities for all leases on the consolidated balance sheets except for those whose payments under low-value asset and short-term leases are recognized as expenses on a straight-line basis. On the consolidated statements of comprehensive income, the Group presents the depreciation expense charged on right-of-use assets separately from the interest expense accrued on lease liabilities; interest is computed using the effective interest method. On the consolidated statements of cash flows, cash payments for the principal portion of lease liabilities are classified within financing activities; cash payments for the interest portion are classified within operating activities. Prior to the application of IFRS 16, payments under operating lease contracts, were recognized as expenses on a straight-line basis. Cash flows for operating leases were classified within operating activities on the consolidated statements of cash flows. Leased assets and finance lease payables were recognized on the consolidated balance sheets for contracts classified as finance leases.

The Group elects to apply IFRS 16 retrospectively with the cumulative effect of the initial application of this standard recognized in retained earnings on January 1, 2019. Comparative information is not restated.

Lease liabilities were recognized on January 1, 2019 for leases previously classified as operating leases under IAS 17. Lease liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate on January 1, 2019. Right-of-use assets are measured at an amount equal to the lease liabilities. The Group applies IAS 36 to all right-of-use assets.

The Group also applies the following practical expedients:

- 1) The Group applies a single discount rate to a portfolio of leases with reasonably similar characteristics to measure lease liabilities.
- 2) The Group accounts for those leases for which the lease term ends on or before December 31, 2019 as short-term leases.
- 3) The Group excludes initial direct costs from the measurement of right-of-use assets on January 1, 2019.
- 4) The Group uses hindsight, such as in determining lease terms, to measure lease liabilities.

The lessee's weighted average lessee's incremental borrowing rate applied to lease liabilities recognized on January 1, 2019 is 1.11%-5.70%. The difference between the lease liabilities recognized and disclosed under IAS 17 on December 31, 2018 is explained as follows:

The future minimum lease payments of non-cancellable operating lease commitments on December 31, 2018	\$ 1,255,111
Less: Recognition exemption for short-term leases and low-value assets	<u>(10,243)</u>
Undiscounted amounts on January 1, 2019	<u>\$ 1,244,868</u>
Discounted amounts using the incremental borrowing rate on January 1, 2019	\$ 1,203,841
Add: Adjustments as a result of a different treatment of extension and termination options	2,176,586
Less: Adjustments relating to reclassification of refundable deposits	<u>(11,947)</u>
Lease liabilities recognized on January 1, 2019	<u>\$ 3,368,480</u>

The Group as lessor

The Group does not make any adjustments for leases in which it is a lessor, and it accounts for those leases with the application of IFRS 16 starting from January 1, 2019.

The impact on assets, liabilities and equity as of January 1, 2019 from the initial application of IFRS 16 is set out as follows:

	As Originally Stated on January 1, 2019	Adjustments Arising from Initial Application	Restated on January 1, 2019
Right-of-use assets	\$ -	\$ 3,380,427	\$ 3,380,427
Refundable deposits	<u>143,620</u>	<u>(11,947)</u>	<u>131,673</u>
	<u>\$ 143,620</u>	<u>\$ 3,368,480</u>	<u>\$ 3,512,100</u>
Lease liabilities - current	\$ -	\$ 526,765	\$ 526,765
Lease liabilities - non-current	<u>-</u>	<u>2,841,715</u>	<u>2,841,715</u>
	<u>\$ -</u>	<u>\$ 3,368,480</u>	<u>\$ 3,368,480</u>

- b. The IFRSs endorsed by the FSC for application starting from 2020.

New IFRSs	Effective Date Announced by IASB
Amendments to IFRS 3 “Definition of a Business”	January 1, 2020 (Note 1)
Amendments to IFRS 9, IAS 39 and IFRS 7 “Interest Rate Benchmark Reform”	January 1, 2020 (Note 2)
Amendments to IAS 1 and IAS 8 “Definition of Material”	January 1, 2020 (Note 3)

Note 1: The Group shall apply these amendments to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after January 1, 2020 and to asset acquisitions that occur on or after the beginning of that period.

Note 2: The Group shall apply these amendments retrospectively for annual reporting periods beginning on or after January 1, 2020.

Note 3: The Group shall apply these amendments prospectively for annual reporting periods beginning on or after January 1, 2020.

As of the date the consolidated financial statements were authorized for issue, the Group assess the possible impact that the application of above standards and interpretations don't have impacts on the Group's financial position and financial performance and will disclose the relevant impact when the assessment is completed.

- c. New IFRSs in issue but not yet endorsed and issued into effect by the FSC

New IFRSs	Effective Date Announced by IASB (Note)
Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”	To be determined by IASB
IFRS 17 “Insurance Contracts”	January 1, 2021
Amendments to IAS 1 “Classification of Liabilities as Current or Non-current”	January 1, 2022

Note: Unless stated otherwise, the above New IFRSs are effective for annual reporting periods beginning on or after their respective effective dates.

As of the date the consolidated financial statements were authorized for issue, the Group is continuously assessing the possible impact that the application of above standards and interpretations will have on the Group’s financial position and financial performance and will disclose the relevant impact when the assessment is completed.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- a. Statement of compliance

The consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IFRSs as endorsed and issued into effect by the FSC.

- b. Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis except for financial instruments which are measured at fair value and net defined benefit liability.

The fair value measurements, which are grouped into Levels 1 to 3 based on the degree to which the fair value measurement inputs are observable and based on the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- 1) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities;
- 2) Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
- 3) Level 3 inputs are unobservable inputs for the asset or liability.

- c. Classification of current and non-current assets and liabilities

Current assets include:

- Assets held primarily for the purpose of trading;
- Assets expected to be realized within 12 months after the reporting period; and
- Cash and cash equivalents unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

Current liabilities include:

- Liabilities held primarily for the purpose of trading;
- Liabilities due to be settled within 12 months after the reporting period, even if an agreement to refinance, or to reschedule payments, on a long-term basis is completed after the reporting period and before the consolidated financial statements are authorized for issue; and
- Liabilities for which the Group does not have an unconditional right to defer settlement for at least 12 months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Assets and liabilities that are not classified as current are classified as non-current.

The Group engages in the construction business, which has an operating cycle of over one year; the normal operating cycle of over one year is observed when considering the classification of the Group's construction-related assets and liabilities.

d. Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and the entities controlled by the Company (i.e., its subsidiaries).

Income and expenses of subsidiaries acquired or disposed of during the period are included in the consolidated statement of profit or loss and other comprehensive income from the effective date of acquisition up to the effective date of disposal, as appropriate.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the Company.

All intra-group transactions, balances, income and expenses are eliminated in full upon consolidation. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to the owners of the Company.

See Note 12, Tables 8 and 9 following the notes to consolidated financial statements for the detailed information of subsidiaries (including the percentage of ownership and main business).

e. Business combinations

Acquisitions of businesses are accounted for using the acquisition method. Acquisition-related costs are generally recognized in profit or loss as they are incurred.

Goodwill is measured as the excess of the sum of the consideration transferred and the fair value of the acquirer's previously held equity interests in the acquiree over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

f. Foreign currencies

In preparing the financial statements of each individual entity, transactions in currencies other than the Group's functional currency (i.e., foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions.

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Exchange differences on monetary items arising from settlement or translation are recognized in profit or loss in the period in which they arise.

Non-monetary items measured at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Exchange differences arising from the retranslation of non-monetary items are included in profit or loss for the year except for exchange differences arising from the retranslation of non-monetary items in respect of which gains and losses are recognized directly in other comprehensive income, in which case, the exchange differences are also recognized directly in other comprehensive income.

Non-monetary items that are measured at historical cost in a foreign currency are not retranslated.

For the purpose of presenting consolidated financial statements, the functional currencies of the Company and the entities in the Group (including subsidiaries and associates) are translated into the presentation currency - the New Taiwan dollars as follows: Assets and liabilities are translated at the exchange rates prevailing at the end of the reporting period; income and expense items are translated at the average exchange rates for the year. The resulting currency translation differences are recognized in other comprehensive income (attributed to the owners of the Company and non-controlling interests as appropriate).

On the disposal of a foreign operation (i.e., a disposal of the Company's entire interest in a foreign operation, or a disposal involving the loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an interest in a joint arrangement or an associate that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

In relation to a partial disposal of a subsidiary that does not result in the Company losing control over the subsidiary, the proportionate share of accumulated exchange differences is included in the calculation of equity transactions but is not recognized in profit or loss. For all other partial disposals, the proportionate share of the accumulated exchange differences recognized in other comprehensive income is reclassified to profit or loss.

g. Inventories

Inventories consist of properties under development, undeveloped properties and merchandise. Inventories are stated at the lower of cost or net realizable value. Inventory write-downs are made by item, except where it may be appropriate to group similar or related items. The net realizable value is the estimated selling price of inventories less all estimated costs of completion and costs necessary to make the sale.

The properties to be developed refer to the land use rights which will be reclassified as construction in process at the start of the construction of the properties.

Before acquiring land use right and before completing the construction, the interest incurred on land payment and the actual construction cost are capitalized as cost of land use right and as development costs, respectively.

h. Investments in associates

An associate is an entity over which the Group has significant influence and that is not a subsidiary.

The Group uses the equity method to account for its investments in associates.

Under the equity method, investments in an associate are initially recognized at cost and adjusted thereafter to recognize the Group's share of the profit or loss and other comprehensive income of the associate and joint venture. The Group also recognizes the changes in the Group's share of the equity of associates attributable to the Group.

Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets and liabilities of an associate at the date of acquisition is recognized as goodwill, which is included within the carrying amount of the investment and is not amortized. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of acquisition, after reassessment, is recognized immediately in profit or loss.

When the Group subscribes for additional new shares of the associate and joint venture at a percentage different from its existing ownership percentage, the resulting carrying amount of the investment differs from the amount of the Group's proportionate interest in the associate and joint venture. The Group records such a difference as an adjustment to investments with the corresponding amount charged or credited to capital surplus - changes in the Group's share of equity of associates and joint ventures. If the Group's ownership interest is reduced due to the additional subscription of the new shares of associate and joint venture, the proportionate amount of the gains or losses previously recognized in other comprehensive income in relation to that associate and joint venture is reclassified to profit or loss on the same basis as would be required if the investee had directly disposed of the related assets or liabilities. When the adjustment should be debited to capital surplus, but the capital surplus recognized from investments accounted for using the equity method is insufficient, the shortage is debited to retained earnings.

i. Property, plant and equipment

Property, plant and equipment are stated at cost, less recognized accumulated depreciation and accumulated impairment loss.

Property, plant and equipment in the course of construction are measured at cost, less any recognized impairment loss. Cost includes professional fees and borrowing costs eligible for capitalization. Such assets are depreciated and classified to the appropriate categories of property, plant and equipment when completed and ready for intended use.

Depreciation of property, plant and equipment is recognized using the straight-line method. Each significant part is depreciated separately. If the lease term is shorter than the useful lives, assets are depreciated over the lease term. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

On derecognition of an item of property, plant and equipment, the difference between the sales proceeds and the carrying amount of the asset is recognized in profit or loss.

j. Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation. Investment properties also include land held for a currently undetermined future use.

Freehold investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at cost less accumulated depreciation and accumulated impairment loss. Depreciation is recognized using the straight-line method.

On derecognition of an investment property, the difference between the net disposal proceeds and the carrying amount of the asset is included in profit or loss.

k. Goodwill

Goodwill arising from the acquisition of a business is measured at cost as established at the date of acquisition of the business less accumulated impairment loss.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units or groups of cash-generating units (referred to as "cash-generating units") that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired, by comparing its carrying amount, including the allocated goodwill, with its recoverable amount. If the goodwill allocated to a cash-generating unit was acquired in a business combination during the current annual period, that unit shall be tested for impairment before the end of the current annual period. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss is recognized directly in profit or loss. Any impairment loss recognized on goodwill is not reversed in subsequent periods.

If goodwill has been allocated to a cash-generating unit and the Group disposes of an operation within that unit, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal.

l. Intangible assets

1) Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are initially measured at cost and subsequently measured at cost less accumulated amortization and accumulated impairment loss. Amortization is recognized on a straight-line basis. The estimated useful life, residual value, and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimates accounted for on a prospective basis.

2) Intangible assets acquired in a business combination

Intangible assets acquired in a business combination and recognized separately from goodwill are initially recognized at their fair value at the acquisition date (which is regarded as their cost). Subsequent to initial recognition, they are measured on the same basis as intangible assets that are acquired separately.

3) Derecognition of intangible assets

On derecognition of an intangible asset, the difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss.

m. Assets related to contract costs

When a sales contract is obtained, commission paid to employees who obtained from the sale of property and selling service fees paid to agents under exclusive sale agreements are recognized as assets (incremental cost of obtaining a contract) to the extent that the costs are expected to be recovered and are recognized in profit or loss when the property is transferred to the customers. However, the Group elects not to capitalize the incremental costs of obtaining a contract if the amortization period of the related asset, which the Group otherwise would have recognized, is expected to be one year or less.

n. Impairment of tangible and intangible assets other than goodwill and assets related to contract costs

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets, excluding goodwill, to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Corporate assets are allocated to the individual cash-generating units on a reasonable and consistent basis of allocation.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

The recoverable amount is the higher of fair value less costs to sell and value in use. If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount, with the resulting impairment loss recognized in profit or loss.

Before the Group recognizes an impairment loss from assets related to contract costs, any impairment loss on inventories, property, plant and equipment and intangible assets related to the contract applicable shall be recognized in accordance with applicable standards. Then, impairment loss from the assets related to the contract costs is recognized to the extent that the carrying amount of the assets exceeds the remaining amount of consideration that the Group expects to receive in exchange for related goods or services less the costs which relate directly to providing those goods or services and which have not been recognized as expenses. The assets related to the contract costs are then included in the carrying amount of the cash-generating unit to which they belong for the purpose of evaluating impairment of that cash-generating unit.

When an impairment loss is subsequently reversed, the carrying amount of the asset, cash-generating unit, or assets related to contract cost is increased to the revised estimate of its recoverable amount, but only to the extent of the carrying amount that would have been determined had no impairment loss been recognized on the asset or cash-generating unit in prior years. A reversal of an impairment loss is recognized in profit or loss.

o. Financial instruments

Financial assets and financial liabilities are recognized when an entity in the Group becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issuance of financial assets and financial liabilities (other than financial assets and financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognized immediately in profit or loss.

1) Financial assets

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis.

a) Measurement category

Financial assets are classified into the following categories: Financial assets at FVTPL, financial assets at amortized cost, and investments in equity instruments at FVTOCI.

i. Financial assets at FVTPL

Financial assets are classified as at FVTPL when such a financial asset is mandatorily classified or designated as at FVTPL.

A financial asset may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise.

Financial assets mandatorily classified as at FVTPL include investments in equity instruments which are not designated as at FVTOCI that do not meet the amortized cost criteria.

Financial assets at FVTPL are subsequently measured at fair value, with any gains or losses arising on remeasurement recognized in profit or loss. The net gain or loss recognized in profit or loss incorporates any dividends or interest earned on such a financial asset. Fair value is determined in the manner described in Note 35.

ii. Financial assets at amortized cost

Financial assets that meet the following conditions are subsequently measured at amortized cost:

- i) The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- ii) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, financial assets at amortized cost, including cash and cash equivalents, trade receivables at amortized cost, other receivables, other financial assets - current and refundable deposits, are measured at amortized cost, which equals the gross carrying amount determined using the effective interest method less any impairment loss. Exchange differences are recognized in profit or loss.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of such a financial asset, except for:

- i) Purchased or originated credit-impaired financial assets, for which interest income is calculated by applying the credit-adjusted effective interest rate to the amortized cost of such financial assets; and
- ii) Financial assets that are not credit-impaired on purchase or origination but have subsequently become credit-impaired, for which interest income is calculated by applying the effective interest rate to the amortized cost of such financial assets in subsequent reporting periods.

Cash equivalents include time deposits with original maturities within 3 months from the date of acquisition, which are highly liquid, readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These cash equivalents are held for the purpose of meeting short-term cash commitments.

iii. Investments in equity instruments at FVTOCI

On initial recognition, the Group may make an irrevocable election to designate investments in equity instruments as at FVTOCI. Designation as at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognized by an acquirer in a business combination.

Investments in equity instruments at FVTOCI are subsequently measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in other equity. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments; instead, it will be transferred to retained earnings.

Dividends on these investments in equity instruments are recognized in profit or loss when the Group's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment.

b) Impairment of financial assets

The Group recognizes a loss allowance for expected credit losses on financial assets at amortized cost (including trade receivables).

The Group always recognizes lifetime expected credit loss (ECL) for trade receivables. For all other financial instruments, the Group recognizes lifetime ECL when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

Expected credit losses reflect the weighted average of credit losses with the respective risks of default occurring as the weights. Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

The Group recognizes an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

c) Derecognition of financial assets

The Group derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset at amortized cost in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss. However, on derecognition of an investment in an equity instrument at FVTOCI, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss, and the cumulative gain or loss which had been recognized in other comprehensive income is transferred directly to retained earnings, without recycling through profit or loss.

2) Financial liabilities

a) Subsequent measurement

All financial liabilities are measured at amortized cost using the effective interest method.

b) Derecognition of financial liabilities

The difference between the carrying amount of the financial liability derecognized and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

p. Provisions

Provisions are measured at the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

q. Revenue recognition

The Group identifies the contract with the customers, allocates the transaction price to the performance obligations, and recognizes revenue when performance obligations are satisfied.

Revenue from rendering of services

Revenue from rendering of services comes from real-estate brokerage business and will be recognized when services provided are completed.

Revenue from sale of real estate

Revenue from sales of real estate in mainland China is recognized on the day of real estate transfer when buyers and sellers sign and register the sales contract to the local real estate institution and acceptance has been issued by relevant departments and the filing procedures are completed. The Group issues a notice of real estate transfer according to the provisions of the contract. Revenue from the sale of properties in Taiwan is recognized when construction is completed, certificates of ownership of the properties are transferred to buyers. Until such revenue is recognized, deposits and installment payments from sales of properties are recognized as contract liabilities - current in the consolidated balance sheets.

r. Leasing

2019

At the inception of a contract, the Group assesses whether the contract is, or contains, a lease.

1) The Group as lessor

Leases are classified as finance leases whenever the terms of a lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Under finance leases, lease payments (less any lease incentives payable) from operating leases are recognized as income on a straight-line over the terms of the relevant leases. Initial direct costs incurred in obtaining operating leases are added to the carrying amounts of the underlying assets and recognized as expenses on a straight-line basis over the lease terms.

When a lease includes both land and building elements, the Group assesses the classification of each element separately as a finance or an operating lease based on the assessment as to whether substantially all the risks and rewards incidental to ownership of each element have been transferred to the lessee. The lease payments are allocated between the land and the building elements in proportion to the relative fair values of the leasehold interests in the land element and building element of the lease at the inception of a contract. If the allocation of the lease payments can be made reliably, each element is accounted for separately in accordance with its lease classification. When the lease payments cannot be allocated reliably between the land and building elements, the entire lease is generally classified as a finance lease unless it is clear that both elements are operating leases; in which case, the entire lease is classified as an operating lease.

2) The Group as lessee

The Group recognizes right-of-use assets and lease liabilities for all leases at the commencement date of a lease, except for short-term leases and low-value asset leases accounted for applying a recognition exemption where lease payments are recognized as expenses on a straight-line basis over the lease terms.

Right-of-use assets are initially measured at cost, which comprises the initial measurement of lease liabilities adjusted for lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs needed to restore the underlying assets, and less any lease incentives received. Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses and adjusted for any remeasurement of the lease liabilities. Right-of-use assets are presented on a separate line in the consolidated balance sheets.

Right-of-use assets are depreciated using the straight-line method from the commencement dates to the earlier of the end of the useful lives of the right-of-use assets or the end of the lease terms.

Lease liabilities are initially measured at the present value of the lease payments, which comprise fixed payments and in-substance fixed payments. The lease payments are discounted using the interest rate implicit in a lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group uses the lessee's incremental borrowing rate.

Subsequently, lease liabilities are measured at amortized cost using the effective interest method, with interest expense recognized over the lease terms. When there is a change in a lease term, or a change in the amounts expected to be payable under a residual value guarantee, the Group remeasures the lease liabilities with a corresponding adjustment to the right-of-use-assets. However, if the carrying amount of the right-of-use assets is reduced to zero, any remaining amount of the remeasurement is recognized in profit or loss. Lease liabilities are presented on a separate line in the consolidated balance sheets.

2018

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

All of the Company's lease contracts are operating leases. Rental income and expense from operating leases are recognized as rental revenue and operating expense, respectively, on a straight-line basis over the lease term.

s. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

Other than stated above, all other borrowing costs are recognized in profit or loss in the period in which they are incurred.

t. Employee benefits

1) Short-term employee benefits

Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

2) Retirement benefits

Payments to defined contribution retirement benefit plans are recognized as an expense when employees have rendered services entitling them to the contributions.

Defined benefit costs (including service cost, net interest and remeasurement) under the defined benefit retirement benefit plans are determined using the projected unit credit method. Service cost and net interest on the net defined benefit liability (asset) are recognized as employee benefits expense in the period they occur. Remeasurement (comprising actuarial gains and losses, effect of changes to the asset ceiling and return on plan assets excluding interest) is recognized in other comprehensive income in the period in which they occur. Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss.

Net defined benefit liability (asset) represents the actual deficit (surplus) in the Group's defined benefit plan. Any surplus resulting from this calculation is limited to the present value of any refunds from the plans or reductions in future contributions to the plans.

3) Other long-term employee benefits

Other long-term employee benefits are accounted for in the same way as the accounting required for defined benefit plan except that remeasurement is recognized in profit or loss.

u. Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

1) Current tax

According to the Income Tax Law, an additional tax on unappropriated earnings is provided for as income tax in the year the shareholders approve to retain the earnings.

Adjustments of prior years' tax liabilities are added to or deducted from the current year's tax provision.

2) Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences, unused loss carryforwards and unused tax credits for purchases of machinery, equipment and technology, research and development expenditures, and personnel training expenditures to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the assets to be recovered. A previously unrecognized deferred tax asset is also reviewed at the end of each reporting period and recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

3) Current and deferred tax for the year

Current and deferred taxes are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively.

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

a. Impairment of tangible and intangible assets other than goodwill

The Group measures the useful life of its individual assets and the probable future economic benefits in a specific asset group, which depends on subjective judgment, asset characteristics and industry, during the impairment testing process. Any change in accounting estimates due to economic circumstances and business strategies might cause material impairment in the future.

b. Write-down of inventory

Inventories are stated at the lower of cost or net realizable value. Net realizable value of inventory is the estimated selling price made by the Group taking into consideration the market value less the estimated costs of completion and the estimated costs necessary to make the sale. In the valuation process, if market condition changes, the Group will change the estimated net realizable value of inventory accordingly, which may result in an increase or decrease in the value of inventories.

c. Land value increment tax

Land value increment tax is estimated according to the related tax regulations issued by the People's Republic of China. As of December 31, 2019 and 2018, the amount of land value increment tax payable recorded as current tax payable was \$803,435 thousand and \$713,828 thousand, respectively. However, the amount of final actual liability of land value increment tax shall be examined by the tax authorities of China and may be different from the amount estimated by the Group.

6. CASH AND CASH EQUIVALENTS

	December 31	
	2019	2018
Cash on hand	\$ 15,301	\$ 26,952
Checking accounts and demand deposits	2,386,282	3,739,797
Cash equivalents		
Time deposits with original maturities less than three months	<u>5,078,589</u>	<u>784,504</u>
	<u>\$ 7,480,172</u>	<u>\$ 4,551,253</u>

The interest rates of cash in bank at the end of the reporting period were as follows:

	December 31	
	2019	2018
Interest rates range	0%-2.02%	0%-3.2%

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS - CURRENT

	<u>December 31</u>	
	<u>2019</u>	<u>2018</u>
<u>Financial assets mandatorily classified as at FVTPL - current</u>		
Non-derivative financial assets		
Domestic quoted shares	\$ 6,513	\$ 7,590
Mutual funds	53,467	48,308
Structured financial products	<u>14,653</u>	<u>4,646,837</u>
	<u>\$ 74,633</u>	<u>\$ 4,702,735</u>

Structured financial products which the Group bought from banks are structured time deposit with the expected yield rates of 0%-4.35% and 0%-4.45% as of December 31, 2019 and 2018, respectively.

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

Investment in Equity Instruments at FVTOCI

	<u>December 31</u>	
	<u>2019</u>	<u>2018</u>
<u>Current</u>		
Domestic investments		
Listed shares	\$ 383,088	\$ 257,668
Foreign investments		
Listed shares	<u>616,291</u>	<u>527,703</u>
	<u>\$ 999,379</u>	<u>\$ 785,371</u>
<u>Non-current</u>		
Domestic investments		
Unlisted shares	\$ 95,532	\$ 88,583
Foreign investments		
Unlisted shares	<u>254,426</u>	<u>304,544</u>
	<u>\$ 349,958</u>	<u>\$ 393,127</u>

These investments in equity instruments are not held for trading. Instead, they are held for medium- to long-term strategic purposes. Accordingly, the management elected to designate these investments in equity instruments as at FVTOCI as the management believes that recognizing short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Group's strategy of holding these investments for long-term purposes.

9. NOTES RECEIVABLE, TRADE RECEIVABLES AND OTHER RECEIVABLES

	<u>December 31</u>	
	<u>2019</u>	<u>2018</u>
<u>Notes receivable</u>		
At amortized cost		
Operating-gross carrying amount	\$ 45,814	\$ 52,755
<u>Trade receivables</u>		
At amortized cost		
Gross carrying amount	\$ 1,055,219	\$ 943,461
Less: Allowance for impairment loss	<u>(14,919)</u>	<u>(17,901)</u>
	<u>\$ 1,040,300</u>	<u>\$ 925,560</u>
<u>Other receivables</u>		
Receivables from disposal of investment	\$ -	\$ 4,474
Interest receivables	788	1,275
Others	39,053	47,088
Less: Allowance for impairment loss	<u>(5,268)</u>	<u>(5,268)</u>
	<u>\$ 34,573</u>	<u>\$ 47,569</u>

a. Trade receivables

The average credit period for rendering of services was 30 to 60 days. No interest was charged on trade receivables. The refund liability for trade receivables from real estate brokerage service revenue was estimated based on historical experience. Except for collections from real estate agent service rendered to individuals and from sales of real estate, the Group adopted a policy of using other publicly available financial information or its own trading records to rate its major customers and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The Group's exposure and the credit conditions of its counterparties are continuously monitored. Since the Group collected the receivables for providing real estate agent services from clients under escrow custody, the uncollectible risk shall be insignificant. On the other hand, the Group generally collected in advance the amount of real estate sold and the real estate shall not transferred or handed over until all the amount are collected. Thus, there would not be trade receivables from transactions of selling real estate.

The Group applies the simplified approach to providing for expected credit losses prescribed by IFRS 9, which permits the use of lifetime expected loss provision for all trade receivables. The expected credit losses on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of economic conditions at the reporting date. As the Group's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished according to the Group's different customer base.

The Group writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery. For trade receivables that have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognized in profit or loss.

The following table details the loss allowance of trade receivables based on the Group's provision matrix.

December 31, 2019

	Less than 60 Days	61 to 90 Days	91 to 180 Days	181 to 360 Days	Over 361 Days	Total
Expected credit loss rate	0%-0.5%	0%-0.5%	0%-0.5%	0%-0.5%	50%-100%	
Gross carrying amount	\$ 914,697	\$ 74,390	\$ 67,393	\$ 23,843	\$ 21,981	\$ 1,102,304
Refund liability (Note)	(41,463)	(4,365)	(2,705)	(2,252)	(1,271)	(52,056)
Loss allowance (Lifetime ECL)	<u>(148)</u>	<u>(54)</u>	<u>(135)</u>	<u>(119)</u>	<u>(14,463)</u>	<u>(14,919)</u>
Amortized cost	<u>\$ 873,086</u>	<u>\$ 69,971</u>	<u>\$ 64,553</u>	<u>\$ 21,472</u>	<u>\$ 6,247</u>	<u>\$ 1,035,329</u>

December 31, 2018

	Less than 60 Days	61 to 90 Days	91 to 180 Days	181 to 360 Days	Over 361 Days	Total
Expected credit loss rate	0%-0.5%	0%-0.5%	0%-0.5%	0%-0.5%	50%-100%	
Gross carrying amount	\$ 800,436	\$ 76,409	\$ 63,149	\$ 21,757	\$ 34,800	\$ 996,551
Refund liability (Note)	(35,470)	(4,039)	(2,666)	(1,493)	(335)	(44,003)
Loss allowance (Lifetime ECL)	<u>(184)</u>	<u>(63)</u>	<u>(237)</u>	<u>(109)</u>	<u>(17,308)</u>	<u>(17,901)</u>
Amortized cost	<u>\$ 764,782</u>	<u>\$ 72,307</u>	<u>\$ 60,246</u>	<u>\$ 20,155</u>	<u>\$ 17,157</u>	<u>\$ 934,647</u>

Note: The refund liability were recognized under other current liabilities and other non-current liabilities.

The movements of the loss allowance of trade receivables were as follows:

	2019	
	Trade Receivables	Other Receivables
Balance at January 1, 2019	\$ 17,901	\$ 5,268
Less: Amounts written off	(2,420)	-
Foreign exchange losses	<u>(562)</u>	<u>-</u>
Balance at December 31, 2019	<u>\$ 14,919</u>	<u>\$ 5,268</u>
	2018	
	Trade Receivables	Other Receivables
Balance at January 1, 2018 per IAS 39	\$ 8,064	\$ 4,165
Adjustment on initial application of IFRS 9	<u>-</u>	<u>-</u>
Balance at January 1, 2018 per IFRS 9	8,064	4,165
Add: Net remeasurement of loss allowance	10,194	2,162
Less: Amounts written off	-	(1,059)
Foreign exchange gains and losses	<u>(357)</u>	<u>-</u>
Balance at December 31, 2018	<u>\$ 17,901</u>	<u>\$ 5,268</u>

b. Other receivables

- 1) Receivables from disposal of investment was due to the Group's disposal of financial assets measured at cost.
- 2) Other receivables were the payment on behalf of others and rental receivable.

10. INVENTORIES

	December 31	
	2019	2018
Properties under development		
Binhu District, Wuxi	\$ 6,815,610	\$ -
Banqiao District, New Taipei City	1,371,403	-
Properties to be developed		
Binhu District, Wuxi	-	6,175,692
Banqiao District, New Taipei City	1,241,624	2,440,170
Banqiao District, New Taipei City (for transferable development rights)	170,885	283,360
Other		
Shilin District, Taipei City	2,113	2,113
Inventory-merchandise		
Jiading District, Shanghai	910,105	1,894,686
Shilin District, Taipei City	<u>170,449</u>	<u>258,966</u>
	<u>\$ 10,682,189</u>	<u>\$ 11,054,987</u>

The amounts of cost of goods sold transferred from inventories were \$921,728 thousand and \$1,867,712 thousand for the years ended December 31, 2019 and 2018, respectively. The amount of cost of goods sold included inventory write-downs which was \$18,843 thousand for the year ended December 31, 2019.

The amount transferred from inventory to investment property was \$95,861 thousand for the year ended December 31, 2019.

To ensure the smooth completion of the real estate project, Sinyi Development Inc. of the Group entered into trust contracts with banks on the real estate projects. The information of the real estate trust was as follows:

Project Name	Trustee	Trust Period
Sinyi Jia-Ho	Taishin Bank	2017/5/22-2024/5/22
Sinyi Jia-Pin	Taishin Bank	2017/9/30-2024/9/30

In accordance with the trust contract, Sinyi Development Inc. has engaged the trustees taking fund control function, including making progress payments, the payment of taxes, and so on.

Refer to Note 37 for the carrying amount of inventories pledged as security for bank borrowings by the Group.

11. OTHER FINANCIAL ASSETS - CURRENT

	<u>December 31</u>	
	<u>2019</u>	<u>2018</u>
Time deposits with original maturity more than three months	\$ 121,570	\$ 148,470
Restricted assets - current	<u>117,479</u>	<u>7,236</u>
	<u>\$ 239,049</u>	<u>\$ 155,706</u>

- a. The ranges of interest rates of time deposits with original maturities more than three months were as follows:

	<u>December 31</u>	
	<u>2019</u>	<u>2018</u>
Time deposits with original maturity more than three months	0.15%-2.75%	0.12%-2.75%

- b. Restricted assets - current are mainly operating guarantee for real-estate brokerage and restricted bank deposits. Refer to Note 37.

12. SUBSIDIARIES

- a. Subsidiaries included in consolidated financial statements

The subsidiaries included in the consolidated entities as of December 31, 2019 and 2018 were as follows:

Investor	Investee	Main Businesses	<u>% of Ownership</u>		Remark
			<u>December 31</u>	<u>2019</u>	
Sinyi Realty Inc.	Sinyi International Limited (Sinyi International)	Investment holding	100	100	
	Sinyi Development Inc. (Taiwan Sinyi Development)	Development, construction, rental and sale of residential building and factories	100	100	
	Sinyi Limited	Investment holding	100	100	
	Sinyi Global Asset Management Co., Ltd. (Global)	Real estate brokerage	100	100	
	Heng-Yi Intelligent Technology Inc. (Heng-Yi)	Information software, data processing and electronic information providing services	75	75	
	Jui-Inn Consultants Co., Ltd. (Jui-Inn)	Management consulting	100	100	
	Sinyi Culture Publishing Inc. (Sinyi Culture)	Publication	99	99	
	An-Sin Real Estate Management Ltd. (An-Sin)	Real estate management	51	51	
	Yowoo Technology Inc. (Yowoo Technology)	Information software, data processing and electronic information providing services	100	100	
	SIN CHIUN HOLDING SDN. BHD. (SIN CHIUN)	Investment holding	100	100	
Sinyi Limited	Sinyi Real Estate Consulting Limited (Sinyi Consulting)	Production of Instructions of real estate	100	100	
	Ke Wei HK Realty Limited (Ke Wei HK)	Investment holding	99	99	
Inane	Inane International Limited (Inane)	Investment holding	100	100	
	Shanghai Sinyi Real Estate Inc. (Shanghai Sinyi Real Estate)	Real estate brokerage	100	100	
	Beijing Sinyi Real Estate Ltd. (Beijing Sinyi)	Real estate brokerage	100	100	

(Continued)

Investor	Investee	Main Businesses	% of Ownership		Remark
			2019	2018	
	Shanghai Zhi Xin allograph Ltd. (Shanghai Zhi Xin)	Management consulting	100	100	
	Chengdu Sinyi Real Estate Co., Ltd. (Chengdu Sinyi)	Real estate brokerage and management consulting	-	100	Note 1
	Max Success International Limited (Max Success)	Investment holding	100	100	
Shanghai Sinyi Real Estate	Zhejiang Sinyi Real Estate Co., Ltd. (Zhejiang Sinyi)	Real estate brokerage and management consulting	100	100	
	Suzhou Sinyi Real Estate Inc. (Suzhou Sinyi)	Real estate brokerage and management consulting	100	100	
	Jiaxing Zhi Zheng Real Estate Marketing Planning Inc. (Jiaxing Zhi Zheng)	Real estate marketing planning and management consulting	100	100	
Shanghai Zhi Xi	Suzhou Zhi Xin Real Estate Co., Ltd. (Suzhou Zhi Xin)	Market information consultation and management consulting	100	100	
Ke Wei HK	Ke Wei Shanghai Real Estate Management Consulting Inc. (Ke Wei Shanghai)	Real estate brokerage and management consulting	100	100	
Sinyi International	Forever Success International Limited (Forever Success)	Investment holding	100	100	
	Sinyi Realty Inc. Japan (Japan Sinyi)	Real estate brokerage, management and identification	100	100	
	Sinyi Development Limited. (Sinyi Development)	Investment holding	100	100	
Forever Success	Sinyi Estate Ltd. (Sinyi Estate)	Investment holding	100	100	
	Shanghai Shang Tuo Investment Management Consulting Inc. (Shanghai Shang Tuo)	Real estate brokerage and management consulting	100	100	
	Hua Yun Renovation (Shanghai) Co., Ltd. (Hua Yun)	Professional construction, building decoration construction, interior decoration, hardware, general merchandise, building materials wholesale	100	100	
Shanghai Shang Tuo	Shanghai Chang Yuan Co., Ltd. (Shanghai Chang Yuan)	Property management	100	100	
Hua Yun	Lunheng Business Management (Shanghai) Ltd. (Lunheng)	Management consulting	100	100	
An-Sin	An-Shin Real Estate Management Ltd. (An-Shin)	Real estate management	100	100	
Japan Sinyi	Sinyi Management Co., Ltd. (Japan Management)	Real estate brokerage	100	100	
	Tokyo Sinyi Real Estate Co., Ltd.	Real estate brokerage	100	100	
Sinyi Development	Sinyi Real Estate (Hong Kong) Limited (Hong Kong Real Estate)	Investment holding	100	100	
	Kunshan Dingxian Trading Co., Ltd. (Kunshan Dingxian Trading)	Construction materials furniture, sanitary ware and ceramic products	100	100	
Sinyi Estate	Sinyi Estate (Hong Kong) Limited (Hong Kong Sinyi Estate)	Investment holding	100	100	
Hong Kong Real Estate	Sinyi Real Estate (Shanghai) Limited (Shanghai Real Estate)	Development of commercial and residential building and auxiliary facilities; and construction, rental, sale and property management	100	100	
Hong Kong Sinyi Estate	Jiu Xin Estate (Wuxi) Limited (Jiu Xin Estate)	Development of commercial and residential building	100	100	
Sinyi Real Estate (Shanghai) Limited	SinYeh Enterprise Management (Shanghai) Limited (SinYeh)	Development of commercial and residential building	100	-	Note 2
Yowoo Technology	Wu Pu Co., Ltd. (Wu Pu)	Investment holding	-	100	Note 3
	Heng-Yi Intelligent Technology Inc. (Heng-Yi)	Information software, data processing and electronic information providing services	25	-	Note 4
	Lian Yue Traffic Inc. (Lian Yue Traffic)	Manpower dispatch and Merchandise delivery	100	-	Note 5
Taiwan Sinyi Development	Da-Chia Construction Co., Ltd. (Da-Chia Construction)	Development, construction, rental and sales of residential building and factories	100	100	
	Sinyi Real Estate Co., Ltd. (Sinyi Real Estate)	Development, construction, rental and sales of residential building and factories	100	100	

(Continued)

Investor	Investee	Main Businesses	% of Ownership		Remark
			December 31		
			2019	2018	
SIN CHIUN	FIDELITY PROPERTY CONSULTANT SDN. BHD. (FIDELITY)	Investment holding	49	49	
	PEGUSUS HOLDING SDN. BHD. (PEGUSUS)	Investment holding	100	100	
PEGUSUS	FIDELITY PROPERTY CONSULTANT SDN. BHD. (FIDELITY)	Real estate brokerage, management and identification	51	51	

(Concluded)

Remark:

Note 1: Chengdu Sinyi has been liquidated in June 2019.

Note 2: Xin Yeh was incorporated in February 2019, with a capital of RMB400,000 thousand, as of December 31, 2019.

Note 3: Wu Pu has been liquidated in November 2019.

Note 4: The Group acquired 25% ownership of Heng-Yi from non-controlling interests through Yowoo Technology in March 2019. Refer to Note 31.

Note 5: The Group acquired 100% ownership of Lian Yue Traffic through Yowoo Technology in November 2019. Refer to Note 31.

b. Subsidiaries excluded from consolidated financial statements: None.

13. INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD

	December 31	
	2019	2018
Investments in associates	<u>\$ 31,900</u>	<u>\$ 27,554</u>

Investments in Associates

	December 31	
	2019	2018
Unlisted company		
Sinyi Interior Design Co., Ltd.	\$ 15,774	\$ 12,870
Rakuya International Info. Co., Ltd.	<u>16,126</u>	<u>14,684</u>
	<u>\$ 31,900</u>	<u>\$ 27,554</u>

As of the end of the reporting period, the proportion of ownership and voting rights in associates held by the Group were as follows:

Name of Associate	December 31	
	2019	2018
Sinyi Interior Design Co., Ltd.	19%	19%
Rakuya International Info. Co., Ltd.	23%	23%

The summarized financial information in respect of the Group's associates is set out below:

For the Year Ended December 31
2019 **2018**

The Group's shares

Net income (loss) for continuing operations	\$ 1,525	\$ (992)
Other comprehensive income (loss)	<u>3,378</u>	<u>(309)</u>
 Total comprehensive income (loss) for the year	 <u>\$ 4,903</u>	 <u>\$ (1,301)</u>

Even though holding less than 20% of voting rights of Sinyi Interior Design Co., Ltd. the Group is able to exercise significant influence over it. The investment is still accounted for by the equity method.

The investments accounted for by the equity method and the share of profit or loss and other comprehensive income of the investment for the years ended December 31, 2019 and 2018 were based on unaudited financial statements. The Group's management believes the unaudited financial statements of investees do not have material impact on the equity method accounting or the calculation of the share of profit or loss and other comprehensive income.

14. PROPERTY, PLANT AND EQUIPMENT

	Freehold Land	Buildings	Transportation Equipment	Office Equipment	Leased Assets	Leasehold Improvements	Other Equipment	Construction in Progress and Preparations for Equipment	Total
Cost									
Balance at January 1, 2019	\$ 2,833,746	\$ 660,163	\$ 10,654	\$ 388,221	\$ 4,671	\$ 548,513	\$ 87,384	\$ 2,680	\$ 4,536,032
Additions	-	-	571	36,640	-	62,196	1,297	6,751	107,455
Disposals	-	-	-	(8,294)	(4,671)	(20,610)	(30)	-	(33,605)
To investment properties	-	(58,654)	-	-	-	-	-	-	(58,654)
Reclassification	-	-	-	-	-	2,680	-	(2,680)	-
Effect of foreign currency exchange differences	-	(6,015)	(253)	(1,893)	-	(3,198)	-	-	(11,359)
Balance at December 31, 2019	<u>\$ 2,833,746</u>	<u>\$ 595,494</u>	<u>\$ 10,972</u>	<u>\$ 414,674</u>	<u>\$ -</u>	<u>\$ 589,581</u>	<u>\$ 88,651</u>	<u>\$ 6,751</u>	<u>\$ 4,539,869</u>
Accumulated depreciation									
Balance at January 1, 2019	\$ -	\$ 143,941	\$ 5,442	\$ 310,202	\$ 4,671	\$ 442,957	\$ 75,613	\$ -	\$ 982,826
Depreciation expense	-	19,224	948	30,404	-	46,505	4,878	-	101,959
Disposals	-	-	-	(6,963)	(4,671)	(20,147)	(22)	-	(31,803)
To investment properties	-	(4,108)	-	-	-	-	-	-	(4,108)
Effect of foreign currency exchange differences	-	(444)	(161)	(1,532)	-	(2,504)	1	-	(4,640)
Balance at December 31, 2019	<u>\$ -</u>	<u>\$ 158,613</u>	<u>\$ 6,229</u>	<u>\$ 332,111</u>	<u>\$ -</u>	<u>\$ 466,811</u>	<u>\$ 80,470</u>	<u>\$ -</u>	<u>\$ 1,044,234</u>
Net carrying amount at December 31, 2019	<u>\$ 2,833,746</u>	<u>\$ 436,881</u>	<u>\$ 4,743</u>	<u>\$ 82,563</u>	<u>\$ -</u>	<u>\$ 122,770</u>	<u>\$ 8,181</u>	<u>\$ 6,751</u>	<u>\$ 3,495,635</u>
Cost									
Balance at January 1, 2018	\$ 2,665,208	\$ 639,680	\$ 6,519	\$ 370,157	\$ 4,671	\$ 526,644	\$ 84,401	\$ -	\$ 4,297,280
Additions	-	-	4,292	37,811	-	48,733	2,983	3,761	97,580
Disposals	-	-	-	(25,592)	-	(27,429)	-	-	(53,021)
Reclassifications	168,538	25,054	-	-	-	1,081	-	(1,081)	193,592
Acquisition through business combinations	-	-	-	6,626	-	612	-	-	7,238
Effect of foreign currency exchange differences	-	(4,571)	(157)	(781)	-	(1,128)	-	-	(6,637)
Balance at December 31, 2018	<u>\$ 2,833,746</u>	<u>\$ 660,163</u>	<u>\$ 10,654</u>	<u>\$ 388,221</u>	<u>\$ 4,671</u>	<u>\$ 548,513</u>	<u>\$ 87,384</u>	<u>\$ 2,680</u>	<u>\$ 4,536,032</u>
Accumulated depreciation									
Balance at January 1, 2018	\$ -	\$ 117,641	\$ 4,668	\$ 290,126	\$ 4,671	\$ 418,082	\$ 69,520	\$ -	\$ 904,708
Depreciation expense	-	18,963	856	40,106	-	50,057	6,093	-	116,075
Disposals	-	-	-	(24,680)	-	(24,611)	-	-	(49,291)
Acquisition through business combinations	-	-	-	5,246	-	555	-	-	5,801
Reclassifications	-	7,495	-	-	-	-	-	-	7,495
Effect of foreign currency exchange differences	-	(158)	(82)	(596)	-	(1,126)	-	-	(1,962)
Balance at December 31, 2018	<u>\$ -</u>	<u>\$ 143,941</u>	<u>\$ 5,442</u>	<u>\$ 310,202</u>	<u>\$ 4,671</u>	<u>\$ 442,957</u>	<u>\$ 75,613</u>	<u>\$ -</u>	<u>\$ 982,826</u>
Net carrying amount at December 31, 2018	<u>\$ 2,833,746</u>	<u>\$ 516,222</u>	<u>\$ 5,212</u>	<u>\$ 78,019</u>	<u>\$ -</u>	<u>\$ 105,556</u>	<u>\$ 11,771</u>	<u>\$ 2,680</u>	<u>\$ 3,553,206</u>

The above items of property, plant and equipment are depreciated on a straight-line basis over the following estimated useful lives:

Buildings - main buildings	21-55 years
Transportation equipment	4-6 years
Office equipment	3-6 years
Leased assets	3 years
Leasehold improvements	1-5 years
Other equipment	3-15 years

- a. There was no interest capitalized during the years ended December 31, 2019 and 2018.
- b. Refer to Note 37 for the details of properties, plant and equipment pledged as collaterals.

15. LEASE ARRANGEMENTS

- a. Right-of-use assets - 2019

	December 31, 2019
<u>Carrying amounts</u>	
Land	\$ 1,048,087
Buildings	3,256,490
Office equipment	3,998
Other equipment	<u>12,297</u>
	<u>\$ 4,320,872</u>
	For the Year Ended December 31, 2019
Additions to right-of-use assets	<u>\$ 1,509,243</u>
Depreciation charge for right-of-use assets	\$ 539,041
Buildings	2,918
Office equipment	<u>3,984</u>
Other equipment	<u>\$ 545,943</u>

Right-of-use asset for land is the using right to use of a land in Malaysia purchased by the subsidiary SIN CHIUN.

- b. Lease liabilities - 2019

	December 31, 2019
<u>Carrying amounts</u>	
Current	<u>\$ 488,421</u>
Non-current	<u>\$ 2,795,104</u>

Range of discount rate for lease liabilities was as follows:

	December 31, 2019
Buildings	1.11%-5.7%
Office equipment	1.28%-5.7%
Other equipment	1.28%-1.29%

c. Material lease-in activities and terms

The Group leases buildings for the use of office spaces and retail stores with lease terms of 1 to 20 years. The Group does not have bargain purchase options to acquire the buildings at the end of the lease terms. In addition, the Group is prohibited from transferring all or any portion of the underlying assets without the lessor's consent.

The Group signed a agreement to purchase the right-of-use of a land in Malaysia in September 2019 and completed the legal process of possession right transfer in December 2019. The right-of-use of land will last until December 31, 2096.

d. Other lease information

Lease arrangements under operating leases for the leasing out of freehold investment properties are set out in Note 16.

2019

	For the Year Ended December 31, 2019
Expenses relating to short-term leases	<u>\$ 26,925</u>
Expenses relating to low-value asset leases	<u>\$ 15,237</u>
Total cash outflow for leases	<u>\$ 633,588</u>

The Group leases certain assets which qualify as short-term leases and low-value asset leases. The Group has elected to apply the recognition exemption and thus, did not recognize right-of-use assets and lease liabilities for these leases.

2018

The future minimum lease payments of non-cancellable operating lease commitments were as follows:

	December 31, 2018
Not later than 1 year	\$ 461,340
Later than 1 year and not later than 5 years	786,897
Later than 5 years	<u>6,874</u>
	<u>\$ 1,255,111</u>

16. INVESTMENT PROPERTIES

	Land	Buildings	Total
<u>Cost</u>			
Balance at January 1, 2019	\$ 1,876,100	\$ 319,835	\$ 2,195,935
Additions	82,918	11,406	94,324
Disposals	(32,025)	(8,096)	(40,121)
Transferred from inventories	-	95,861	95,861
Transferred from property, plant and equipment	-	58,654	58,654
Effects of foreign currency exchange differences	-	(19,019)	(19,019)
	<u> </u>	<u> </u>	<u> </u>
Balance at December 31, 2019	<u>\$ 1,926,993</u>	<u>\$ 458,641</u>	<u>\$ 2,385,634</u>
<u>Accumulated depreciation and impairment</u>			
Balance at January 1, 2019	\$ 10,010	\$ 102,405	\$ 112,415
Impairment loss recognized	16,584	2,281	18,865
Depreciation expense	-	8,140	8,140
Disposals	(9,882)	(2,850)	(12,732)
Transferred from property, plant and equipment	-	4,108	4,108
Effects of foreign currency exchange differences	-	(173)	(173)
	<u> </u>	<u> </u>	<u> </u>
Balance at December 31, 2019	<u>\$ 16,712</u>	<u>\$ 113,911</u>	<u>\$ 130,623</u>
Net carrying amount at December 31, 2019	<u>\$ 1,910,281</u>	<u>\$ 344,730</u>	<u>\$ 2,255,011</u>
<u>Cost</u>			
Balance at January 1, 2018	\$ 2,029,699	\$ 344,313	\$ 2,374,012
Additions	27,400	815	28,215
Disposals	(12,461)	(239)	(12,700)
Transferred to property, plant and equipment	(168,538)	(25,054)	(193,592)
	<u> </u>	<u> </u>	<u> </u>
Balance at December 31, 2018	<u>\$ 1,876,100</u>	<u>\$ 319,835</u>	<u>\$ 2,195,935</u>
<u>Accumulated depreciation and impairment</u>			
Balance at January 1, 2018	\$ 7,022	\$ 101,329	\$ 108,351
Impairment loss recognized	2,988	115	3,103
Depreciation expense	-	8,463	8,463
Disposals	-	(7)	(7)
Transferred to property, plant and equipment	-	(7,495)	(7,495)
	<u> </u>	<u> </u>	<u> </u>
Balance at December 31, 2018	<u>\$ 10,010</u>	<u>\$ 102,405</u>	<u>\$ 112,415</u>
Net carrying amount at December 31, 2018	<u>\$ 1,866,090</u>	<u>\$ 217,430</u>	<u>\$ 2,083,520</u>

The lessees do not have bargain purchase options to acquire the investment properties at the expiry of the lease periods.

The maturity analysis of lease payment receivables under operating leases of investment properties as of December 31, 2019 was as follows:

	December 31, 2019
Year 1	\$ 86,280
Year 2	84,860
Year 3	82,823
Year 4	82,062
Year 5	77,256
Year 6 onwards	<u>38,566</u>
	<u>\$ 451,847</u>

The future minimum lease payment receivables of non-cancellable operating lease commitments as of December 31, 2018 were as follows:

	December 31, 2018
Not later than 1 year	\$ 86,134
Later than 1 year and not later than 5 years	60,780
Later than 5 years	<u>10</u>
	<u>\$ 146,924</u>

The investment properties are depreciated on a straight-line basis over the following estimated useful lives:

Buildings - main buildings	30-60 years
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The total fair value of the Group's investment properties, freehold land and buildings as of December 31, 2019 and 2018 were \$10,872,806 thousand and \$9,703,340 thousand, respectively. The fair value determination was not performed by independent qualified professional appraisers, but by the management of the Group who used the valuation model that market participants generally use in determining fair value, and the fair value was measured by using Level 3 inputs. The fair value was arrived at by reference to market evidence of transaction prices for similar properties.

All of the Group's investment properties were held under freehold interests. The carrying amount of the investment properties that had been pledged by the Group to secure borrowings is disclosed in Note 37.

17. INTANGIBLE ASSETS

	December 31	
	2019	2018
Franchises (Note 39)	\$ 45,293	\$ 48,749
Goodwill	5,452	10,513
System software costs	42,994	51,067
Patent rights	<u>3,542</u>	<u>5,000</u>
	<u>\$ 97,281</u>	<u>\$ 115,329</u>

	Franchises	Goodwill	System Software Costs	Patent Rights	Total
<u>Cost</u>					
Balance at January 1, 2019	\$ 93,851	\$ 20,134	\$ 256,019	\$ 5,000	\$ 375,004
Additions	-	-	19,694	-	19,694
Disposals	-	-	(1,589)	-	(1,589)
Acquisition through business combinations (Note 31)	-	5,452	-	-	5,452
Effect of foreign currency exchange differences	<u>(2,245)</u>	<u>-</u>	<u>(742)</u>	<u>-</u>	<u>(2,987)</u>
Balance at December 31, 2019	<u>\$ 91,606</u>	<u>\$ 25,586</u>	<u>\$ 273,382</u>	<u>\$ 5,000</u>	<u>\$ 395,574</u>
<u>Accumulated amortization</u>					
Balance at January 1, 2019	\$ 45,102	\$ 9,621	\$ 204,952	\$ -	\$ 259,675
Amortization expense	2,361	-	27,056	1,458	30,875
Disposals	-	-	(900)	-	(900)
Impairment loss	-	10,513	-	-	10,513
Effect of foreign currency exchange differences	<u>(1,150)</u>	<u>-</u>	<u>(720)</u>	<u>-</u>	<u>(1,870)</u>
Balance at December 31, 2019	<u>\$ 46,313</u>	<u>\$ 20,134</u>	<u>\$ 230,388</u>	<u>\$ 1,458</u>	<u>\$ 298,293</u>
Net carrying amount at December 31, 2019	<u>\$ 45,293</u>	<u>\$ 5,452</u>	<u>\$ 42,994</u>	<u>\$ 3,542</u>	<u>\$ 97,281</u>
<u>Cost</u>					
Balance at January 1, 2018	\$ 90,933	\$ 9,621	\$ 230,520	\$ -	\$ 331,074
Additions	-	-	25,587	5,000	30,587
Disposals	-	-	(3,420)	-	(3,420)
Acquisition through business combinations (Note 31)	-	10,513	3,530	-	14,043
Effect of foreign currency exchange differences	<u>2,918</u>	<u>-</u>	<u>(198)</u>	<u>-</u>	<u>2,720</u>
Balance at December 31, 2018	<u>\$ 93,851</u>	<u>\$ 20,134</u>	<u>\$ 256,019</u>	<u>\$ 5,000</u>	<u>\$ 375,004</u>
<u>Accumulated amortization</u>					
Balance at January 1, 2018	\$ 41,427	\$ 9,621	\$ 176,038	\$ -	\$ 227,086
Amortization expense	2,303	-	30,329	-	32,632
Disposals	-	-	(3,420)	-	(3,420)
Acquisition through business combinations	-	-	2,272	-	2,272
Effect of foreign currency exchange differences	<u>1,372</u>	<u>-</u>	<u>(267)</u>	<u>-</u>	<u>1,105</u>
Balance at December 31, 2018	<u>\$ 45,102</u>	<u>\$ 9,621</u>	<u>\$ 204,952</u>	<u>\$ -</u>	<u>\$ 259,675</u>
Net carrying amount at December 31, 2018	<u>\$ 48,749</u>	<u>\$ 10,513</u>	<u>\$ 51,067</u>	<u>\$ 5,000</u>	<u>\$ 115,329</u>

The above intangible assets with finite useful lives are amortized on a straight-line basis over the following estimated useful lives:

Franchises	40 years
System software costs	2-5 years
Patent rights	4 years

The Group performs impairment assessment of the recoverable amount of goodwill at the end of the annual financial reporting period, and compares the unit's carrying amount that includes goodwill with its recoverable amount.

The Group recognized a goodwill impairment loss of \$10,513 thousand for the year ended December 31, 2019. Refer to Note 28 for the details.

18. OTHER ASSETS

	<u>December 31</u>	
	<u>2019</u>	<u>2018</u>
Prepayments for right-of-use asset - land	\$ 60,474	\$ -
Prepaid expenses	48,735	84,768
Tax prepayment	26,679	-
Overpaid VAT	14,126	14,019
Temporary payments	11,879	3,355
Overdue receivables	1,271	335
Others	<u>1,890</u>	<u>1,890</u>
	<u>\$ 165,054</u>	<u>\$ 104,367</u>
Current	\$ 101,419	\$ 102,142
Non-current	<u>63,635</u>	<u>2,225</u>
	<u>\$ 165,054</u>	<u>\$ 104,367</u>

Prepayments for the right-of-use asset are prepayments made by subsidiary SIN CHIUN HOLDING SDN. BHD. for purchasing right-of-use of land at Pulau Mengalum, Sabah, Malaysia. The Group had not completed the legal process for the transfer of the possession right as of December 31, 2019.

Tax prepayment is land value increment tax and sales tax imposed by China local tax bureau for presold real estate of subsidiary Shanghai Real Estate and Jiu Xin Estate in Mainland China.

19. BORROWINGS

a. Short-term borrowings

	<u>December 31</u>	
	<u>2019</u>	<u>2018</u>
<u>Secured borrowings</u>		
Bank loans	<u>\$ -</u>	<u>\$ 748,000</u>

1) The interest rate of the bank loans as of December 31, 2018 was 1.73%.

2) Refer to Note 37 for the details of assets pledged as collaterals for short-term borrowings.

b. Long-term borrowings

	<u>December 31</u>	
	2019	2018
<u>Secured borrowings</u>		
Bank loans	\$ 4,299,112	\$ 3,022,204
<u>Unsecured borrowings</u>		
Unsecured loans	<u>2,600,000</u>	<u>2,356,956</u>
	6,899,112	5,379,160
Less: Current portion	<u>(25,295)</u>	<u>(7,682)</u>
Long-term borrowings	<u>\$ 6,873,817</u>	<u>\$ 5,371,478</u>

The long-term borrowings of the Group were as follows:

Content of Borrowings		<u>December 31</u>	
		2019	2018
E.SUN Bank	Loan limit: \$200,000 thousand; period: October 19, 2018 to October 19, 2021; fixed interest rate of 1.2%; interest is paid monthly and principal is repaid at maturity. The Group repaid all the debts in March 2019.	\$ -	\$ 200,000
E.SUN Bank	Loan limit: \$2,450,000 thousand; period: October 19, 2018 to October 19, 2021; fixed interest rate of 1.2%; interest is paid monthly and principal is repaid at maturity. The Group repaid all the debts in August 2019.	-	2,450,000
E.SUN Bank	Loan limit: \$2,420,000 thousand; period: August 02, 2019 to August 02, 2021; floating interest rate of 1.2%; interest is paid monthly and principal is repaid at maturity.	1,700,000	-
Bank of East Asia	Loan limit: \$1,600,000 thousand; period: November 15, 2018 to November 12, 2021; floating interest rate as of 1.242%; interest is paid monthly; 3% of principal is repaid in 18th, 24th and 30th months, respectively 91% of principal is paid in 36th month. The Group repaid all the debts in February 2019.	-	200,000
Yuanta Bank	Loan limit: \$200,000 thousand; period: March 23, 2018 to March 22, 2020; fixed interest rate of 1.25%; interest is paid monthly and principal is repaid at maturity. The Group repaid all the debts in February 2019.	-	200,000
Yuanta Bank	Loan limit: \$400,000 thousand; period: March 20, 2019 to March 19, 2021; fixed interest rate of 1.15%; interest is paid monthly and principal is repaid at maturity.	400,000	-

(Continued)

		December 31	
		2019	2018
Content of Borrowings			
Mizuho Bank	Loan limit: JPY150,000 thousand; period: June 20, 2016 to June 20, 2019; fixed interest rate of 1.108%; interest is paid monthly and principal is repaid JPY4,167 thousand monthly.	\$ -	\$ 6,956
Mizuho Bank	Loan limit: \$300,000 thousand; period: November 30, 2018 to November 30, 2020; fixed interest rate of 1.16%; interest is paid monthly and principal is repaid at maturity. The Group repaid all the debts in October 2019.	-	200,000
Mizuho Bank	Loan limit: \$300,000 thousand; period: November 30, 2019 to November 30, 2021; fixed interest rate of 1.16%; interest is paid monthly and principal is repaid at maturity.	300,000	-
Bank of Sinopac	Loan limit: \$200,000 thousand; period: September 19, 2018 to September 19, 2020; fixed rate of 1.10%; interest is paid monthly and principal is repaid at maturity. The Group repaid all the debts in January 2019.	-	200,000
O-Bank	Loan limit: \$200,000 thousand; period: December 26, 2018 to December 25, 2020; fixed interest rate of 1.221%; interest is paid monthly and principal is repaid at maturity. The Group repaid all the debts in February 2019.	-	200,000
Far Eastern Bank	Loan limit: \$800,000 thousand; period: April 02, 2018 to April 02, 2020; fixed interest rate of 1.29%; interest is paid monthly and principal is repaid at maturity. The Group repaid all the debts in February 2019.	-	300,000
Far Eastern Bank	Loan limit: \$800,000 thousand; period: May 02, 2019 to May 02, 2021; fixed interest rate of 1.19%; interest is paid monthly and principal is repaid at maturity.	600,000	-
Taishin Bank	Loan limit: \$300,000 thousand; period: December 25, 2017 to December 25, 2020; fixed interest rate of 1.22%; interest is paid monthly and principal is repaid at maturity. The Group repaid all the debts in February 2019.	-	300,000
Taishin Bank	Loan limit: \$1,900,000 thousand; period: September 08, 2017 to September 08, 2022; fixed interest rate of 1.73%; interest is paid monthly and principal is repaid at maturity.	345,000	285,000
Taishin Bank	Loan limit: \$1,373,000 thousand; period: March 29, 2019 to March 29, 2024; fixed interest rate of 1.73%; interest is paid monthly and principal is repaid at maturity.	748,000	-
Taishin Bank	Loan limit: \$300,000 thousand; period: December 25, 2019 to December 25, 2022; fixed interest rate of 1.05%; interest is paid monthly and principal is repaid at maturity.	200,000	-

(Continued)

		December 31	
		2019	2018
Content of Borrowings			
DBS	Loan limit: \$150,000 thousand; period: March 23, 2018 to March 23, 2020; fixed interest rate of 1.25%; interest is paid monthly and principal is repaid at maturity. The Group repaid all the debts in February 2019.	\$ -	\$ 150,000
DBS	Loan limit: US\$400,000 thousand (equal to \$1,200,000 thousand New Taiwan dollars); period: January 02, 2019 to January 02, 2021; floating interest rate of 1.14%; interest is paid monthly and principal is repaid at maturity.	400,000	-
TC Bank	Loan limit: \$200,000 thousand; period: June 21, 2018 to June 21, 2020; fixed interest rate of 1.25%; interest is paid monthly and principal is repaid at maturity. The Group repaid all the debts in June 2019.	-	200,000
Mega Bank	Loan limit: \$250,000 thousand; period: August 13, 2018 to August 13, 2021; floating interest rate of 1.20%; interest is paid monthly and principal is repaid at maturity.	200,000	200,000
Shin Kong Bank	Loan limit: \$200,000 thousand; period: November 21, 2018 to November 20, 2021; fixed interest rate of 1.15%; interest is paid monthly and principal is repaid at maturity.	200,000	200,000
Shanghai Pudon Development Bank	Loan limit: RMB600,000 thousand; period: December 26, 2018 to December 25, 2023; fixed interest rate of 5.70%; interest is paid quarterly and principal is repaid semi-annually per agreement.	1,506,112	87,204
Shanghai Commercial and Savings Bank	Loan limit: \$400,000 thousand; period: December 08, 2018 to December 08, 2021; fixed interest rate of 1.20%; interest is paid monthly and principal is repaid at maturity.	200,000	-
First Bank	Loan limit: \$100,000 thousand; period: April 10, 2019 to April 10, 2021; fixed interest rate of 1.16%; interest is paid monthly and principal is repaid at maturity.	100,000	-
Total long-term borrowings		<u>\$ 6,899,112</u>	<u>\$ 5,379,160</u>

(Concluded)

Refer to Note 37 for the details of assets pledged as collaterals for long-term borrowings.

20. BONDS PAYABLE

	December 31	
	2019	2018
Domestic unsecured bonds	\$ 5,300,000	\$ 5,900,000
Less: Current portion	<u>-</u>	<u>(1,500,000)</u>
	<u>\$ 5,300,000</u>	<u>\$ 4,400,000</u>

The major terms of domestic unsecured bonds were as follows:

Issuance Period	Total Amount (In Thousands)	Coupon Rate	Repayment and Interest Payment
June 2014 to June 2019	\$ 3,000,000	1.48%	At the end of the 4 th and 5 th year from the issuance date, the Group will repay half of the principle, respectively. Interest is paid annually.
May 2018 to May 2021	700,000	0.92%	Principal is repaid at maturity. Interest is paid annually.
May 2018 to May 2023	1,900,000	1.07%	Principal is repaid at maturity. Interest is paid annually.
July 2018 to July 2023	1,800,000	1.05%	Principal is repaid at maturity. Interest is paid annually.
November 2019 to November 2029	900,000	1.25%	Principal is repaid at maturity. Interest is paid annually.

Domestic unsecured bonds issued in June 2014, totaling \$3,000,000 thousand, were repaid by \$1,500,000 thousand and \$1,500,000 thousand in June, 2018 and June, 2019, respectively.

21. TRADE PAYABLES

	December 31	
	2019	2018
Construction payables	<u>\$ 379,619</u>	<u>\$ 766,021</u>

22. CONTRACT LIABILITIES & UNEARNED REVENUE

	December 31	
	2019	2018
<u>Contract liabilities</u>		
Advance receipts from real estate transactions	<u>\$ 284,387</u>	<u>\$ 694,468</u>

Advance receipts from real estate transactions are the amounts collected by Shanghai Real Estate, Jiu Xin Estate and Sinyi Development from customers for pre-sold real estate. Shanghai Real Estate entered into real estate sales contracts with the customers and put on record at Shanghai Real Estate Trading Center. When houses are on the status available for usage and are checked and accepted by the related authorities and Shanghai Real Estate completes the procedures of putting on file, Shanghai Real Estate may issue the house delivery notice according to the real estate sales contracts and recognizes revenue of selling houses at the date of delivering house and transferred the related inventory to cost of goods sold. The amount of deposits and installments from the real estate sales contracts collected from the customers are recorded as unearned revenue of current liabilities before meeting the criteria of being recognized as revenue from selling commodities. The amount of deposit and installment which are collected before the criteria of recognition of sales revenue are met have been recorded as contract liabilities - current in the consolidation balance sheets.

23. OTHER LIABILITIES

	<u>December 31</u>	
	<u>2019</u>	<u>2018</u>
<u>Current</u>		
Other payables	\$ 2,618,266	\$ 2,219,129
Other liabilities	<u>119,104</u>	<u>206,156</u>
	<u>\$ 2,737,370</u>	<u>\$ 2,425,285</u>
<u>Non-current</u>		
Other liabilities	<u>\$ 653,501</u>	<u>\$ 514,141</u>

a. Other payables were as follows:

	<u>December 31</u>	
	<u>2019</u>	<u>2018</u>
<u>Other payables - expenses</u>		
Payables for performance bonus and salaries	\$ 1,606,694	\$ 1,365,002
Payables for annual leave	125,095	106,632
Advertisement payable	107,856	68,671
Payables for labor and health insurance	85,944	63,431
Interest payables	29,053	39,518
Payables for employees bonuses and compensation to directors	20,733	25,014
Payables for professional fees	14,780	14,407
Others	<u>180,333</u>	<u>156,708</u>
	<u>\$ 2,170,488</u>	<u>\$ 1,839,383</u>
<u>Other payables - others</u>		
Receipts under custody from real estate transactions	\$ 348,256	\$ 288,151
Other receipts under custody	53,733	45,661
Receipts under custody - escrow service	<u>1</u>	<u>4</u>
	<u>\$ 401,990</u>	<u>\$ 333,816</u>
<u>Other payables to related parties</u>		
Financing from related parties		
Loan from related parties	\$ 37,023	\$ 38,459
Interest payable	7,429	6,828
Others	<u>1,336</u>	<u>643</u>
	<u>\$ 45,788</u>	<u>\$ 45,930</u>

1) Employees and senior management who meet the performance standards under the bonus rules are eligible for performance bonuses. Performance bonuses to be paid one year later are recorded as other liabilities - others.

- 2) Loans from related parties were accounted for other payables to related parties with nil interest rates for the years ended December 31, 2019 and 2018.
- 3) Receipts under custody from real estate transactions were the money received by real estate brokers - Shanghai Sinyi Real Estate, Beijing Sinyi, Zhejiang Sinyi, Suzhou Sinyi, Japan Sinyi, Japan Management and FIDELITY from buyers that had concluded transactions, but not yet transferred to the sellers.
- 4) Receipts under custody from escrow service were the money received by An-Sin and An-Shin from buyers of real estate transactions but not yet transferred to the sellers. Composition was as follows:

	December 31	
	2019	2018
Receipts under custody - escrow service	\$ 11,565,378	\$ 7,747,371
Interest payables	1,721	1,615
Deposit accounts	<u>(11,567,098)</u>	<u>(7,748,982)</u>
	<u>\$ 1</u>	<u>\$ 4</u>

- a) Receipts under custody - performance guarantee were receipts under custody from sellers of real estate transactions with interest rate of 0.01%-0.09% for the years ended December 31, 2019 and 2018.
 - b) Deposit accounts were receipts which had been paid by buyers of real estate transactions but not delivered to the sellers yet. The Group deposited these receipts in bank accounts according to the escrow contracts.
- b. Other current liabilities were as follows:

	December 31	
	2019	2018
<u>Current</u>		
VAT payable and other tax payable	\$ 37,203	\$ 143,441
Refund liability	50,785	43,668
Others	<u>31,116</u>	<u>19,047</u>
	<u>\$ 119,104</u>	<u>\$ 206,156</u>
<u>Non-current</u>		
Long-term bonus payable	\$ 652,230	\$ 513,806
Refund liability	<u>1,271</u>	<u>335</u>
	<u>\$ 653,501</u>	<u>\$ 514,141</u>

The VAT payable and other tax payable were the VAT of the Group and other tax payable of Shanghai Real Estate and Jiu Xin Estate on the pre-sold real estate in mainland China.

24. PROVISIONS

	<u>December 31</u>	
	<u>2019</u>	<u>2018</u>
Operating loss provisions	\$ <u>9,374</u>	\$ <u>6,322</u>
	For the Year Ended December 31	
	2019	2018
Balance at January 1, 2019	\$ 6,322	\$ 56,676
Additional provisions recognized	3,052	75,938
Usage	<u>-</u>	<u>(126,292)</u>
Balance at December 31, 2019	\$ <u>9,374</u>	\$ <u>6,322</u>

The provision for operating losses was recognized as possible operating defects in performing the escrow and brokerage business. The provisions were estimated on the basis of evaluation of the escrow service and brokerage service provided, historical experience and pertinent factors.

25. RETIREMENT BENEFIT PLANS

a. Defined contribution plans

The pension plan under the Labor Pension Act (LPA) is a defined contribution plan. Based on the LPA, the Company, An-Sin, An-Shin, Global, Sinyi Development, Heng-Yi, Yowoo Technology, Tokyo Sinyi, Sinyi Consulting and Lian Yue Traffic make monthly contributions to employees' individual pension accounts at 6% of monthly salaries and wages.

The employees of the Group's subsidiaries in other countries are members of a state-managed retirement benefit plan operated by local government. The subsidiary is required to contribute amounts calculated at a specified percentage of payroll costs to the retirement benefit scheme to fund the benefits. The only obligation of the Group with respect to the retirement benefit plan is to make the specified contributions to the fund.

Sinyi Limited, Sinyi International, Forever Success, Inane, Ke Wei HK, Max Success, Sinyi Development, Sinyi Estate, SIN CHIUN, Hong Kong Real Estate, Hong Kong Sinyi Estate, Sinyi Culture, Da-Chia Construction, Sinyi Real Estate and Jui-Inn have no full-time employees. Thus, there are no related pension obligations or pension costs.

b. Defined benefit plans

The defined benefit plans adopted by the Company, An-Sin, Global, and Sinyi Consulting in accordance with the Labor Standards Law are operated by the government. Pension benefits are calculated on the basis of the length of service and average monthly salaries of the six months before retirement. The Company, An-Sin, Global and Sinyi Consulting contribute amounts equal to 2% of total monthly salaries and wages to a pension fund administered by the pension fund monitoring committee. Pension contributions are deposited in the Bank of Taiwan in the committee's name. Before the end of each year, the Group assesses the balance in the pension fund. If the amount of the balance in the pension fund is inadequate to pay retirement benefits for employees who conform to retirement requirements in the next year, the Group is required to fund the difference in one appropriation that should be made before the end of March of the next year. The pension fund is managed by the Bureau of Labor Funds, Ministry of Labor (the "Bureau"); the Group has no right to influence the investment policy and strategy.

The amounts included in the consolidated balance sheets in respect of the Group's defined benefit plans were as follows:

	December 31	
	2019	2018
Present value of defined benefit obligation	\$ 736,259	\$ 681,028
Fair value of plan assets	<u>(578,853)</u>	<u>(566,166)</u>
Deficit	<u>157,406</u>	<u>114,862</u>
Net defined benefit liability	<u>\$ 157,406</u>	<u>\$ 114,862</u>

Movements in net defined benefit liability were as follows:

	Present Value of the Defined Benefit Obligation	Fair Value of the Plan Assets	Net Defined Benefit (Asset) Liability
Balance at January 1, 2018	\$ 599,807	\$ (526,987)	\$ 72,820
Service cost			
Current service cost	3,871	-	3,871
Past service cost	434	-	434
Net interest expense (income)	<u>8,234</u>	<u>(7,304)</u>	<u>930</u>
Recognized in profit or loss	<u>12,539</u>	<u>(7,304)</u>	<u>5,235</u>
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(14,351)	(14,351)
Actuarial loss - changes in demographic assumptions	9,008	-	9,008
Actuarial loss - changes in financial assumptions	10,337	-	10,337
Actuarial loss - experience adjustments	<u>31,779</u>	<u>-</u>	<u>31,779</u>
Recognized in other comprehensive income	<u>51,124</u>	<u>(14,351)</u>	<u>36,773</u>
Contributions from the employer	<u>-</u>	<u>(12,543)</u>	<u>(12,543)</u>
Benefits paid	(3,766)	3,766	-
Increase from business combinations	<u>21,324</u>	<u>(8,747)</u>	<u>12,577</u>
Balance at December 31, 2018	<u>681,028</u>	<u>(566,166)</u>	<u>114,862</u>
Service cost			
Current service cost	4,719	-	4,719
Past service cost	289	-	289
Net interest expense (income)	<u>8,644</u>	<u>(7,202)</u>	<u>1,442</u>
Recognized in profit or loss	<u>13,652</u>	<u>(7,202)</u>	<u>6,450</u>
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(18,321)	(18,321)
Actuarial loss - changes in demographic assumptions	7,538	-	7,538
Actuarial loss - changes in financial assumptions	43,769	-	43,769
Actuarial loss - experience adjustments	<u>20,302</u>	<u>-</u>	<u>20,302</u>
Recognized in other comprehensive income	<u>71,609</u>	<u>(18,321)</u>	<u>53,288</u>
Contributions from the employer	<u>-</u>	<u>(14,109)</u>	<u>(14,109)</u>
Benefits paid	<u>(30,030)</u>	<u>26,945</u>	<u>(3,085)</u>
Balance at December 31, 2019	<u>\$ 736,259</u>	<u>\$ (578,853)</u>	<u>\$ 157,406</u>

An analysis by function of the amounts recognized in profit or loss in respect of the defined benefit plans is as follows:

	For the Year Ended December 31	
	2019	2018
Operating costs	\$ 4,426	\$ 4,567
Management expenses	<u>2,024</u>	<u>668</u>
	<u>\$ 6,450</u>	<u>\$ 5,235</u>

Through the defined benefit plans under the Labor Standards Law, the Group is exposed to the following risks:

- 1) Investment risk: The plan assets are invested in domestic and foreign equity and debt securities, bank deposits, etc. The investment is conducted at the discretion of the Bureau or under the mandated management. However, in accordance with relevant regulations, the return generated by plan assets should not be below the interest rate for a 2-year time deposit with local banks.
- 2) Interest risk: A decrease in the government or corporate bond interest rate will increase the present value of the defined benefit obligation; however, this will be partially offset by an increase in the return on the plan's debt investments.
- 3) Salary risk: The present value of the defined benefit obligation is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the present value of the defined benefit obligation.

The actuarial valuations of the present value of the defined benefit obligation were carried out by qualified actuaries. The significant assumptions used for the purposes of the actuarial valuations were as follows:

	December 31	
	2019	2018
Discount rates	0.75%	1.125%-1.250%
Expected rates of salary increase	2.00%-3.00%	2.00%-3.00%

If possible reasonable change in each of the significant actuarial assumptions will occur and all other assumptions will remain constant, the present value of the defined benefit obligation would increase (decrease) as follows:

	December 31	
	2019	2018
Discount rates		
0.25% increase	<u>\$ (22,444)</u>	<u>\$ (20,741)</u>
0.25% decrease	<u>\$ 23,371</u>	<u>\$ 21,620</u>
Expected rates of salary increase		
0.25% increase	<u>\$ 22,479</u>	<u>\$ 20,893</u>
0.25% decrease	<u>\$ (21,712)</u>	<u>\$ (20,155)</u>

The sensitivity analysis presented above may not be representative of the actual change in the present value of the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

	December 31	
	2019	2018
The expected contributions to the plan for the next year	<u>\$9,848</u>	<u>\$13,192</u>
The average duration of the defined benefit obligation	10.19-12.42 years	11.53-12.81 years

26. EQUITY

Share Capital

	December 31	
	2019	2018
Numbers of shares authorized (in thousands)	<u>1,000,000</u>	<u>1,000,000</u>
Share capital authorized	<u>\$ 10,000,000</u>	<u>\$ 10,000,000</u>
Number of shares issued and fully paid (in thousands)	<u>736,847</u>	<u>736,847</u>
Share capital issued	<u>\$ 7,368,465</u>	<u>\$ 7,368,465</u>

The Company had increased capital by allocating the undistributed earnings of \$853,465 thousand in June 2018. As such, as of December 31, 2018 the Company's shares increased to \$7,368,465 thousand with 736,847 thousand ordinary shares at \$10 per share.

The ordinary shares issued, which have par value of \$10, carry one vote and a right to dividends.

Capital Surplus

	December 31	
	2019	2018
<u>May not be used for any purpose</u>		
Employee share options	\$ 63,896	\$ 63,896
<u>May be used to offset a deficit, distributed as cash dividends, or transferred to share capital</u>		
Disposal of ownership interests in subsidiaries	-	<u>632</u>
	<u>\$ 63,896</u>	<u>\$ 64,528</u>

The capital surplus from shares issued in excess of par (additional paid-in capital from issuance of ordinary common shares, conversion of bonds, treasury share transactions and arising from the excess of the consideration received over the carrying amount of the subsidiaries' net assets during disposal or acquisition) and donations may be used to offset a deficit; in addition, when the Company has no deficit, such capital surplus may be distributed as cash dividends or transferred to capital (limited to a certain percentage of the Company's paid-in capital and once a year).

The capital surplus from long-term investments, employee share options and conversion options may not be used for any purpose.

Retained Earnings and Dividend Policy

- a. Under the dividend policy as set forth in the amended Articles, where the Company has earning upon settlement for a fiscal year, after taxes are paid by law and accumulated deficits are set off, ten percent shall be appropriated as legal earning reserves; however, if the amount of the legal earning reserves has attained the amount of paid-in capital of the Company, no further appropriation shall be made. The remainder shall be appropriated or reversed as special earning reserves. If there still has balance, considering together with accumulated undistributed earnings, the board of directors shall prepare the proposal for earning distribution, which shall be submitted to the shareholders' meeting for a resolution of distribution of dividends and bonuses to shareholders. For the policies on distribution of employees' compensation and remuneration of directors after amendment, please refer to Employee benefits expense in Note 28 (Employees' Compensation and Remuneration of Directors).
- b. In addition, according to the revised Article of Incorporation of the Company, the dividend policy of the Company is to deliberately distribute dividends, in light of the present and future development plan, taking into consideration the investment environment, fund demands, and domestic competition status, as well as factors of interests of shareholders. However, the amount of proposed earning distribution of current year may not be less than 20% of accumulated distributable earnings. In distributing dividends and bonuses to shareholders, the distribution may be made by shares or cash, of which cash dividends may not be less than 10% of total amount of dividends.
- c. Appropriation of earnings to legal reserve shall be made until the legal reserve equals the Company's paid-in capital. Legal reserve may be used to offset deficit. If the Company has no deficit and the legal reserve has exceeded 25% of the Company's paid-in capital, the excess may be transferred to capital or distributed in cash.
- d. The appropriations of earnings for 2018 and 2017 which had been approved in the shareholders' meeting held on May 24, 2019 and May 23, 2018, respectively, were as follows:

	Appropriation of Earnings		Dividends Per Share (NT\$)	
	For the Year Ended		For the Year Ended	
	December 31		December 31	
	2018	2017	2018	2017
Legal reserve	\$ 150,458	\$ 280,282	\$ -	\$ -
Special reserve	199,606	40,830	-	-
Cash dividends	957,900	1,628,750	1.30	2.50
Share dividends	-	853,465	-	1.31

- e. The appropriations of earnings for 2019 had been proposed by the Company's board of directors on February 27, 2020. The appropriations and dividends per share were as follows:

	Appropriation of Earnings	Dividends Per Share (NT\$)
Legal reserve	\$ 121,670	\$ -
Special reserve	346,879	-
Cash dividends	884,216	1.2

The appropriations of earnings for 2019 are subject to the resolution of the shareholders' meeting to be held on May 22, 2020.

Other Equity Items

a. Exchange differences on translating the financial statements of foreign operations

Exchange differences relating to the translation of the results and net assets of the Group's foreign operations from their functional currencies to the Group's presentation currency (i.e., New Taiwan dollars) were recognized directly in other comprehensive income and accumulated in the exchange differences on translation of foreign operations. Gains and losses on hedging instruments that were designated as hedging instruments for hedges of net investments in foreign operations were included in the foreign currency translation reserve. Exchange differences previously accumulated in the foreign currency translation reserve were reclassified to profit or loss on the disposal of the foreign operation.

b. Unrealized gains or losses on financial assets at fair value through other comprehensive income

Unrealized gains or losses on financial assets at fair value through other comprehensive income represents the cumulative gains and losses arising on the revaluation of financial assets at fair value through other comprehensive income, that have been defined to recognize in other comprehensive income. The accumulated amounts of unrealized gains or losses on financial assets at fair value through other comprehensive income did not reclassified to gains or losses when dispose of investment.

Non-controlling Interests

	For the Year Ended December 31	
	2019	2018
Balance at beginning of year	\$ 99,153	\$ 131,332
Attributed to non-controlling interests:		
Net income (loss)	13,271	(13,664)
Exchange differences on translating the financial statements of foreign operations	1	(85)
Remeasurement on defined benefit plans	(206)	(400)
Related income tax	41	93
Payment of cash dividends to non-controlling interests	-	(22,491)
Disposal of the partial subsidiary interest	-	4,368
Acquisition of non-controlling interests in subsidiaries	<u>(599)</u>	<u>-</u>
Balance at end of year	<u>\$ 111,661</u>	<u>\$ 99,153</u>

27. REVENUE

a. Disaggregation of revenue

Refer to Note 42 for information about disaggregation of revenue.

b. Balance of contract

Total amount of the Group's contract liabilities is from the sale of real estate. The amount of deposit and installment which are collected before the criteria of recognition of sales revenue are recorded as contract liabilities-current in the consolidation balance sheets. Please refer to Note 22.

28. NET PROFIT FROM CONTINUING OPERATIONS

Net profit from continuing operations consisted of the following:

Interest Income

	<u>For the Year Ended December 31</u>	
	<u>2019</u>	<u>2018</u>
Interest income		
Cash in bank	\$ 68,664	\$ 14,328
Others	<u>2,297</u>	<u>705</u>
	<u>\$ 70,961</u>	<u>\$ 15,033</u>

Other Gains and Losses

	<u>For the Year Ended December 31</u>	
	<u>2019</u>	<u>2018</u>
Impairment loss of investment properties	\$ (18,865)	\$ (3,103)
Gains on disposal of investments	-	1,321
Gains on financial assets mandatorily classified as at FVTPL	66,009	134,826
Losses on disposal of property, plant and equipment	(261)	(3,540)
Gains (losses) on disposal of investment properties	7,961	(3,901)
Net foreign exchange gains (losses)	3,514	(5,755)
Share of gains (losses) on associates and joint venture	1,525	(992)
Impairment loss of goodwill	(10,513)	-
Others	<u>42,273</u>	<u>26,717</u>
	<u>\$ 91,643</u>	<u>\$ 145,573</u>

Finance Costs

	<u>For the Year Ended December 31</u>	
	<u>2019</u>	<u>2018</u>
Interest on bank loans	\$ 124,506	\$ 113,827
Interest on unsecured bonds payable	57,483	59,351
Interest on back tax from administrative remedies	-	1,892
Interest on lease liabilities	71,361	-
Others	<u>17</u>	<u>17</u>
	253,367	175,087
Deduct: Amounts included in the cost of qualifying asset (inventory-properties under development)	<u>(70,185)</u>	<u>(62,864)</u>
	<u>\$ 183,182</u>	<u>\$ 112,223</u>

Information about capitalized interest was as follows:

	<u>For the Year Ended December 31</u>	
	<u>2019</u>	<u>2018</u>
Interest capitalization rate	1.59%-5.70%	1.59%-3.80%

Depreciation and Amortization

	For the Year Ended December 31	
	2019	2018
Property, plant and equipment	\$ 101,959	\$ 116,075
Investment property	8,140	8,463
Intangible assets	30,875	32,632
Right-of-use assets	<u>545,943</u>	<u>-</u>
	<u>\$ 686,917</u>	<u>\$ 157,170</u>
An analysis of depreciation by function		
Inventory	\$ 42	\$ 665
Operating costs	577,322	73,851
Management expenses	70,538	41,559
Other losses	<u>8,140</u>	<u>8,463</u>
	<u>\$ 656,042</u>	<u>\$ 124,538</u>
An analysis of amortization by function		
Inventory	\$ 718	\$ 1,912
Operating costs	1,162	1,237
Management expenses	<u>28,995</u>	<u>29,483</u>
	<u>\$ 30,875</u>	<u>\$ 32,632</u>

Operating Expenses Directly Related to Investment Properties

	For the Year Ended December 31	
	2019	2018
Direct operating expenses from investment property		
That generated rental income	\$ 23,285	\$ 23,445
That did not generate rental income	<u>65</u>	<u>42</u>
	<u>\$ 23,350</u>	<u>\$ 23,487</u>

Employee Benefits Expense

	For the Year Ended December 31	
	2019	2018
Salary expense	\$ 5,994,205	\$ 5,147,661
Labor and health insurance expense	<u>390,327</u>	<u>329,525</u>
	<u>6,384,532</u>	<u>5,477,186</u>
Post-employment benefits		
Defined contribution plans	213,767	190,184
Defined benefit plans (Note 25)	<u>6,450</u>	<u>5,235</u>
	<u>220,217</u>	<u>195,419</u>
Other employee benefits	<u>210,304</u>	<u>178,339</u>
Total employee benefits expense	<u>\$ 6,815,053</u>	<u>\$ 5,850,944</u>

(Continued)

	For the Year Ended December 31	
	2019	2018
An analysis of employee benefits expense by function		
Inventory	\$ 17,149	\$ 11,050
Operating costs	5,910,521	5,096,929
Management expenses	<u>887,383</u>	<u>742,965</u>
	<u>\$ 6,815,053</u>	<u>\$ 5,850,944</u>
		(Concluded)

Employees' Compensation and Remuneration of Directors

The Company accrued employees' compensation and remuneration of directors at the rates no less than 1% and no higher than 1%, respectively, of net profit before income tax, employees' compensation, and remuneration of directors. The employees' compensation and remuneration of directors for the years ended December 31, 2019 and 2018 which have been approved by the Group's board of directors on February 27, 2020 and February 25, 2019, respectively, were as follows:

Accrual rate

	For the Year Ended December 31	
	2019	2018
Employees' compensation	1%	1%
Remuneration of directors	0.241%	0.191%

Amount

	For the Year Ended December 31	
	2019	2018
	Cash	Cash
Employees' compensation	\$ 16,258	\$ 20,476
Remuneration of directors	3,923	3,909

If there is a change in the amounts after the annual consolidated financial statements were authorized for issue, the differences are recorded as a change in the accounting estimate.

There is no difference between the actual amounts of employees' compensation and remuneration of directors and supervisors paid and the amounts recognized in the consolidated financial statements for the years ended December 31, 2018 and 2017.

Information on the employees' compensation and remuneration of directors resolved by the Company's board of directors in 2020 and 2019 is available at the Market Observation Post System website of the Taiwan Stock Exchange.

Impairment Loss Recognized on Non-financial Assets

	For the Year Ended December 31	
	2019	2018
Goodwill (included in other operating income and expenses, net)	<u>\$ 10,513</u>	<u>\$ -</u>
Investment property (included in other operating income and expenses, net)	<u>\$ 18,865</u>	<u>\$ 3,103</u>
Inventories (included operating cost)	<u>\$ 18,843</u>	<u>\$ -</u>

29. INCOME TAXES RELATING TO CONTINUING OPERATIONS

a. Income tax recognized in profit or loss

The major components of tax expense were as follows:

	For the Year Ended December 31	
	2019	2018
Current tax		
In respect of the current year	\$ 732,096	\$ 905,187
Income tax expense of unappropriated earnings	6,614	539
Land value increment tax	197,386	458,295
In respect of the prior years	983	3,345
Deferred tax		
In respect of the current year	(156,598)	(34,838)
Adjustments to deferred tax attributable to changes in tax rates	<u>-</u>	<u>(3,899)</u>
Income tax expense recognized in profit or loss	<u>\$ 780,481</u>	<u>\$ 1,328,629</u>

A reconciliation of accounting profit and income tax expenses is as follows:

	For the Year Ended December 31	
	2019	2018
Profit before tax from continuing operations	<u>\$ 2,056,686</u>	<u>\$ 2,819,552</u>
Income tax expense calculated at the statutory rate (20%)	\$ 411,337	\$ 563,910
Nondeductible expenses in determining taxable income	75,952	5,485
Deductible expenses in determining taxable income	(39,241)	(77,554)
Tax-exempt income	(2,042)	(5,115)
Additional income tax on unappropriated earnings	6,614	539
Land value increment tax	197,386	458,295
Unrecognized deductible temporary differences	69,949	244,488
Loss carryforwards unrecognized in current period	34,730	42,730
Changes in tax rate	-	773
Effect of different tax rates of the Group operating in other jurisdictions	24,813	91,733
Adjustments for prior years' tax	<u>983</u>	<u>3,345</u>
Income tax expense recognized in profit or loss	<u>\$ 780,481</u>	<u>\$ 1,328,629</u>

The Income Tax Act in the ROC was amended in 2018, and the corporate income tax rate was adjusted from 17% to 20%. In addition, the rate of the corporate surtax applicable to the 2018 unappropriated earnings was reduced from 10% to 5%.

In July 2019, the President of the ROC announced the amendments to the Statute for Industrial Innovation, which stipulate that the amounts of unappropriated earnings in 2018 and thereafter that are reinvested in the construction or purchase of certain assets or technologies are allowed as deduction when computing the income tax on unappropriated earnings. The Company has already deducted the amount of capital expenditure from the unappropriated earnings in 2018 that was reinvested when calculating the tax on unappropriated earnings for the year ended December 2019.

b. Income tax benefit recognized in other comprehensive income

	For the Year Ended December 31	
	2019	2018
<u>Deferred tax</u>		
In respect of the current year		
Remeasurement on defined benefit plan	\$ 10,658	\$ 7,355
Changes in tax rate	<u>-</u>	<u>4,723</u>
	<u>\$ 10,658</u>	<u>\$ 12,078</u>

c. Current tax assets and liabilities

	December 31	
	2019	2018
Current tax assets		
Tax refund receivables	<u>\$ 23,501</u>	<u>\$ 64,742</u>
Current tax liabilities		
Income tax payables	\$ 137,842	\$ 440,168
Land value tax payables	<u>803,455</u>	<u>713,828</u>
	<u>\$ 941,277</u>	<u>\$ 1,153,996</u>

d. Deferred tax assets and liabilities

The movements of deferred tax assets and deferred tax liabilities were as follows:

For the year ended December 31, 2019

	Opening Balance	Recognized in Profit or Loss	Recognized in Other Compre- hensive Income	Exchange Differences	Closing Balance
<u>Deferred tax assets</u>					
Temporary differences					
Allowance for impairment loss	\$ 1,265	\$ 32	\$ -	\$ -	\$ 1,297
Provisions	8,804	2,262	-	-	11,066
Loss carryforwards	48,465	8,381	-	(687)	56,159
Defined benefit obligation	501	49	617	-	1,167
Right-of-use assets	-	3,793	-	-	3,793
Deferred revenue	-	114,127	-	(4,262)	109,865
Others	<u>23,628</u>	<u>5,762</u>	<u>-</u>	<u>(203)</u>	<u>29,187</u>
	<u>\$ 82,663</u>	<u>\$ 134,406</u>	<u>\$ 617</u>	<u>\$ (5,152)</u>	<u>\$ 212,534</u>

	Opening Balance	Recognized in Profit or Loss	Recognized in Other Compre- hensive Income	Closing Balance
<u>Deferred tax liabilities</u>				
Temporary differences				
Defined benefit obligation	\$ 9,997	\$ 1,716	\$ (10,041)	\$ 1,672
Other	<u>23,908</u>	<u>(23,908)</u>	<u>-</u>	<u>-</u>
	<u>\$ 33,905</u>	<u>\$ (22,192)</u>	<u>\$ (10,041)</u>	<u>\$ 1,672</u>

For the year ended December 31, 2018

	Opening Balance	Recognized in Profit or Loss	Recognized in Other Compre- hensive Income	Closing Balance
<u>Deferred tax assets</u>				
Temporary differences				
Allowance for impairment loss	\$ 708	\$ 557	\$ -	\$ 1,265
Provisions	15,850	(7,046)	-	8,804
Loss carryforwards	8,930	39,535	-	48,465
Defined benefit obligation	313	379	(191)	501
Others	<u>9,675</u>	<u>13,953</u>	<u>-</u>	<u>23,628</u>
	<u>\$ 35,476</u>	<u>\$ 47,378</u>	<u>\$ (191)</u>	<u>\$ 82,663</u>

Deferred tax liabilities

Temporary differences				
Defined benefit obligation	\$ 13,377	\$ (15,267)	\$ 11,887	\$ 9,997
Subsidiary undistributed retained earnings	<u>-</u>	<u>23,908</u>	<u>-</u>	<u>23,908</u>
	<u>\$ 13,377</u>	<u>\$ 8,641</u>	<u>\$ 11,887</u>	<u>\$ 33,905</u>

- e. Unused loss carryforwards for which no deferred tax assets have been recognized in the consolidated balance sheets

	December 31	
	2019	2018
Loss carryforwards		
Expire in 2019	\$ -	\$ 77,604
Expire in 2020	54,711	57,723
Expire in 2021	20,014	28,639
Expire in 2022	148,439	174,022
Expire in 2023	119,413	172,390
Expire in 2024	106,048	5,558
Expire in 2025	6,486	6,486
Expire in 2026	17,053	17,053
Expire in 2027	38,469	38,469
Expire in 2028	47,184	47,186
Expire in 2029	<u>48,036</u>	<u>-</u>
	<u>\$ 605,853</u>	<u>\$ 625,130</u>

- f. Information about unused loss carryforward

Loss carryforwards as of December 31, 2019 comprised of:

Unused Amount	Expiry Year
\$ 54,711	2020
20,014	2021
152,538	2022
149,654	2023
149,152	2024
31,020	2025
23,563	2026
40,405	2027
146,989	2028
<u>100,890</u>	2029
<u>\$ 868,936</u>	

- g. Income tax assessments

The Company's tax returns through 2017 have been assessed by the tax authorities.

Sinyi Global, Heng-Yi, Tokyo Sinyi, Taiwan Sinyi Development, Yowoo Technology, Sinyi Culture, An-Sin, An-Shin, Da-Chia Construction, Sinyi Real Estate, Sinyi Consulting and Lian Yue Traffic's tax returns through 2017 had been assessed by the tax authorities. Jui-Inn's tax returns through 2016 had been assessed by the tax authorities.

30. EARNINGS PER SHARE

Unit: NT\$ Per Share

	<u>For the Year Ended December 31</u>	
	<u>2019</u>	<u>2018</u>
Basic EPS	\$ <u>1.71</u>	\$ <u>2.04</u>
Diluted EPS	\$ <u>1.71</u>	\$ <u>2.04</u>

The earnings and weighted average number of ordinary shares outstanding in the computation of earnings per share from continuing operations were as follows:

Net Profit for the Year

	<u>For the Year Ended December 31</u>	
	<u>2019</u>	<u>2018</u>
Profit for the year attributable to owners of the Company	\$ <u>1,262,934</u>	\$ <u>1,504,587</u>

Weighted average number of ordinary shares outstanding (in thousand shares):

	<u>For the Year Ended December 31</u>	
	<u>2019</u>	<u>2018</u>
Weighted average number of ordinary shares in computation of basic earnings per share	736,847	736,847
Effect of dilutive potential ordinary shares		
Bonus issue to employee	<u>772</u>	<u>1,071</u>
Weighted average number of ordinary shares used in the computation of diluted earnings per share	<u>737,619</u>	<u>737,918</u>

Since the Group is allowed to settle the compensation to employees by cash or shares, the Group presumed that the entire amount of the compensation will be settled in shares and the resulting potential shares are included in the weighted average number of outstanding shares used in the calculation of diluted earnings per share, as the shares have a dilutive effect. The number of shares is estimated by dividing the entire amount of the bonus by the closing price of the shares at the balance sheet date. The dilutive effect of the potential shares is included in the calculation of diluted earnings per share until the shareholders resolve the number of shares to be distributed to employees at their meeting in the following year.

31. BUSINESS COMBINATIONS

a. Acquiring additional ownership of subsidiaries

The ownership of Heng-Yi which the Group holds reaches to 100% through its acquiring additional 25% of the shares of Heng-Yi in March 2019. Please refer to Note 12.

	Heg-Yi
Cash consideration paid	\$ (5,000)
The proportionate share of the carrying amount of the net assets of the subsidiary transferred from non-controlling interests	<u>599</u>
Differences recognized from equity transactions	<u>\$ (4,401)</u>
<u>Line items adjusted for equity transactions</u>	
Capital surplus - difference between consideration received or paid and the carrying amount of the subsidiaries' net assets during actual disposal or acquisition	\$ (632)
Retained earnings	<u>(3,769)</u>
	<u>\$ (4,401)</u>

b. Subsidiaries acquired

Subsidiary	Principal Activity	Date of Acquisition	Proportion of Voting Equity Interests Acquired (%)	Consideration Transferred
Sinyi Real Estate Consulting Limited	Production of instructions of real estate	June 15, 2018	100	<u>\$ 8,000</u>
Lian Yue Traffic Inc.	Manpower dispatch and goods delivery	November 18, 2019	100	<u>\$ 5,500</u>

The Group acquired Sinyi Consulting and Lian Yue Traffic to pursue the development of business and to integrate the resource of the Group. All transfer consideration were paid by cash.

The Group's acquisition of Sinyi Consulting had been measured after acquired the official purchase price allocation report during the post measurement period. The Group recognizes the excess amount between the purchase price paid and the fair value of net assets acquired as goodwill.

The Group temporarily recorded the acquired assets and liabilities without purchase price allocation report as of the December 31, 2019 and measured them in the subsequent measurement period after acquiring purchase price allocation report.

1) Assets acquired and liabilities assumed at the date of acquisition

	Sinyi Real Estate Consulting Limited	Lian Yue Traffic
Current assets		
Cash and cash equivalents	\$ 12,740	\$ 36
Trade receivables	10,730	-
Trade and other receivables	216	-
Other current assets	26	12
Non-current assets		
Property, plant and equipment	1,437	-
Intangible assets	1,258	-
Refundable deposits	3	-
Deferred tax assets	390	-
Current liabilities		
Trade and other payables	(16,448)	-
Other current liabilities	(289)	-
Non-current liabilities		
Net defined benefit liabilities (Note)	<u>(12,576)</u>	<u>-</u>
Fair value of net assets acquired	<u>\$ (2,513)</u>	<u>\$ 48</u>

Note: The Group acquired Sinyi Consulting based on IFRSs, so the net defined benefit liabilities of Sinyi Consulting were remeasured.

2) Goodwill recognized on acquisitions

	Sinyi Real Estate Consulting Limited	Lian Yue Traffic
Consideration transferred	\$ 8,000	\$ 5,500
Less: Fair value of identifiable net assets acquired	<u>(2,513)</u>	<u>48</u>
Goodwill recognized on acquisitions	<u>\$ 10,513</u>	<u>\$ 5,452</u>

The total amount of acquired goodwill is expected to be not tax-deductible.

3) Net cash (outflow) inflow on the acquisition of subsidiaries

	Sinyi Real Estate Consulting Limited	Lian Yue Traffic
Consideration paid in cash	\$ (8,000)	\$ (5,500)
Less: Cash and cash equivalent balances acquired	<u>12,740</u>	<u>36</u>
	<u>\$ 4,740</u>	<u>\$ (5,464)</u>

4) Impact of acquisitions on the results of the Group

The results of the acquirees since the acquisition date included in the consolidated statements of comprehensive income are as follows:

	Lian Yue Traffic
Revenue	<u>\$ 3,586</u>
(Loss)	<u>\$ (114)</u>

32. EQUITY TRANSACTIONS WITH NON-CONTROLLING INTERESTS

On February and March 2018, the Group disposed of 25% of its interest in Heng-Yi, reducing its continuing interest from 100% to 75%. The above transactions were accounted for as equity transactions, since the Group did not cease to have control over the subsidiary.

	Amount
Cash consideration received	\$ 5,000
The proportionate share of the carrying amount of the net assets of the subsidiary transferred to non-controlling interests	<u>(4,368)</u>
Differences recognized from equity transactions	<u>\$ 632</u>
<u>Line items adjusted for equity transactions</u>	
Capital surplus - difference between consideration received or paid and the carrying amount of the subsidiaries' net assets during actual disposal or acquisition	<u>\$ 632</u>

33. CASH FLOW INFORMATION

Changes in Liabilities Arising from Financing Activities

For the year ended December 31, 2019

	Opening Balance	Cash Flows	Non-cash Changes		Cash Flow from Operating Activities	Closing Balance
			New Leases	Other		
Short-term borrowings	\$ 748,000	\$ (748,000)	\$ -	\$ -	\$ -	\$ -
Bonds payable (including current portion)	5,900,000	(600,000)	-	-	-	5,300,000
Long-term borrowings (including current portion)	5,379,160	1,578,241	-	(58,289)	-	6,899,112
Guarantee deposits received	43,028	(7,838)	-	-	-	35,190
Lease liabilities (Note 3)	<u>3,368,480</u>	<u>(520,065)</u>	<u>458,963</u>	<u>47,508</u>	<u>(71,361)</u>	<u>3,283,525</u>
	<u>\$ 15,438,668</u>	<u>\$ (297,662)</u>	<u>\$ 458,963</u>	<u>\$ (10,781)</u>	<u>\$ (71,361)</u>	<u>\$ 15,517,827</u>

For the year ended December 31, 2018

	Opening Balance	Cash Flows	Non-cash Changes Changes of Exchange Rate	Closing Balance
Short-term borrowings	\$ 1,608,000	\$ (860,000)	\$ -	\$ 748,000
Bonds payable (including current portion)	3,000,000	2,900,000	-	5,900,000
Long-term borrowings (including current portion)	6,900,616	(1,551,650)	30,194	5,379,160
Guarantee deposits received	<u>42,615</u>	<u>413</u>	<u>-</u>	<u>43,028</u>
	<u>\$ 11,551,231</u>	<u>\$ 488,763</u>	<u>\$ 30,194</u>	<u>\$ 12,070,188</u>

34. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as going concerns while maximizing the return to stakeholders through the optimization of the debt and equity balance.

Key management personnel of the Group review the capital structure on a quarterly basis. Based on recommendations of the key management personnel, in order to balance the overall capital structure, the Group may adjust the amount of dividends paid to shareholders, the number of new shares issued or repurchased, and/or the amount of new debt issued or existing debt redeemed.

35. FINANCIAL INSTRUMENTS

Fair Value of Financial Instruments

a. Fair value of financial instruments not measured at fair value

Except as detailed in the following table, management believes the carrying amounts of financial assets and financial liabilities recognized in the financial statements approximate their fair values or their fair values cannot be reliably measured.

December 31, 2019

	Carrying Amount	Fair Value Hierarchy			Total
		Level 1	Level 2	Level 3	
<u>Financial liabilities</u>					
Financial liabilities measured at amortized cost - bonds payable	<u>\$ 5,300,000</u>	<u>\$ -</u>	<u>\$ 5,314,254</u>	<u>\$ -</u>	<u>\$ 5,314,254</u>

December 31, 2018

	Carrying Amount	Fair Value Hierarchy			Total
		Level 1	Level 2	Level 3	
<u>Financial liabilities</u>					
Financial liabilities measured at amortized cost - bonds payable	\$ 5,900,000	\$ -	\$ 5,912,939	\$ -	\$ 5,912,939

The fair values of the financial liabilities included in the Level 2 category above have been determined in accordance with market price based on a discounted cash flow analysis, with the most significant observable inputs being the bond duration, interest rates and credit ratings, etc.

b. Fair value financial instruments measured at fair value on a recurring basis

1) Fair value hierarchy

December 31, 2019

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Non-derivative financial assets held for trading				
Domestic listed shares - equity investments	\$ 6,513	\$ -	\$ -	\$ 6,513
Mutual funds	53,467	-	-	53,467
Structured financial products	-	14,653	-	14,653
	<u>\$ 59,980</u>	<u>\$ 14,653</u>	<u>\$ -</u>	<u>\$ 74,633</u>
Financial assets at FVTOCI				
Domestic listed shares - equity investments	\$ 383,088	\$ -	\$ -	\$ 383,088
Domestic unlisted shares - equity investments	-	-	95,532	95,532
Foreign listed shares - equity investments	616,291	-	-	616,291
Foreign unlisted shares - equity investments	-	-	254,426	254,426
	<u>\$ 999,379</u>	<u>\$ -</u>	<u>\$ 349,958</u>	<u>\$ 1,349,337</u>

December 31, 2019

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Non-derivative financial assets held for trading				
Domestic listed shares - equity investments	\$ 7,590	\$ -	\$ -	\$ 7,590
Mutual funds	48,308	-	-	48,308
Structured financial products	<u>-</u>	<u>4,646,837</u>	<u>-</u>	<u>4,646,837</u>
	<u>\$ 55,898</u>	<u>\$ 4,646,837</u>	<u>\$ -</u>	<u>\$ 4,702,735</u>
Financial assets at FVTOCI				
Domestic listed shares - equity investments	\$ 257,668	\$ -	\$ -	\$ 257,668
Domestic unlisted shares - equity investments	-	-	88,583	88,583
Foreign listed shares - equity investments	527,703	-	-	527,703
Foreign unlisted shares - equity investments	<u>-</u>	<u>-</u>	<u>304,544</u>	<u>304,544</u>
	<u>\$ 785,371</u>	<u>\$ -</u>	<u>\$ 393,127</u>	<u>\$ 1,178,498</u>

There were no transfers between Level 1 and Level 2 in the current and prior periods.

2) Reconciliation of Level 3 fair value measurements of financial instruments

For the year December 31, 2019

	Financial Assets at Fair Value Through Other Comprehensive Income Equity Instruments
Balance at January 1, 2019	\$ 393,127
Addition	4,500
Recognized in other comprehensive income	(37,799)
Effect of exchange rate changes	<u>(9,870)</u>
Balance at December 31, 2019	<u>\$ 349,958</u>

For the year December 31, 2018

	Financial Assets at Fair Value Through Other Comprehensive Income
	Equity Instruments
Balance at January 1, 2018	\$ 260,639
Addition	48,774
Recognized in other comprehensive income	89,949
Effect of exchange rate changes	<u>(6,235)</u>
Balance at December 31, 2018	<u>\$ 393,127</u>

2) Valuation techniques and inputs applied for Level 2 fair value measurement

<u>Financial Instruments</u>	<u>Valuation Techniques and Inputs</u>
Structured financial products	Discounted cash flows: Future cash flows are estimated based on observable interest rate and discounted at a market interest rate.

3) Valuation techniques and inputs applied for Level 3 fair value measurement

<u>Financial Instruments</u>	<u>Valuation Techniques and Inputs</u>
Foreign unlisted shares	Market comparison method: The value of the evaluation target can be obtained by using the transaction price of the enterprises which are similar to the evaluation target in the active market with consideration of implied value multiplier and liquidity discount.
Domestic unlisted shares	According to the balance sheet of the evaluation target, evaluate the total value of its individual assets and liabilities using market approach consistently with the consideration of liquidity and non-control discounts to reflect the overall value of the target.

For fair value measurements categorized within Level 3 of the fair value hierarchy as derivatives and investments in equity instruments, the lack of quoted prices in an active market categorized the financial assets into Level 3 of which fair values are based on valuations provided by market participants or quoted prices of the counterparty. Quantitative information is not disclosed since the relationship between significant unobservable inputs and the fair value cannot be fully controlled.

Categories of Financial Instruments

	<u>December 31</u>	
	<u>2019</u>	<u>2018</u>
<u>Financial assets</u>		
FVTPL		
Mandatorily classified as at FVTPL	\$ 74,633	\$ 4,702,735
Financial assets at amortized cost (Note 1)	8,962,836	5,876,463
Financial assets at FVTOCI	1,349,337	1,178,498
<u>Financial liabilities</u>		
Financial assets at amortized cost (Note 2)	15,232,506	15,570,122

Note 1: The balance included loans and receivables measured at amortized cost, which comprise cash and cash equivalents, notes receivable, trade receivables, other receivables, other current financial assets and refundable deposits.

Note 2: The balance included financial liabilities measured at amortized cost, which comprise short-term borrowings, notes payable, trade payables, other payables, bonds payable, long-term borrowings (including current portion of long-term borrowings and bonds payable) and guarantee deposits received.

Financial Risk Management Objectives and Policies

The Group's major financial instruments included equity, mutual funds, trade receivables, other payables, bonds payable, borrowings and lease liabilities. The Group's Corporate Treasury function provides services to the business and manages the financial risks relating to the operations of the Group through internal risk reports which analyze exposures by degree and magnitude of risks. These risks include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk. The Group seeks to ensure sufficient funding readily available when needed with the objective to reduce the potentially adverse effects the market uncertainties may have on its financial performance.

The plans for material treasury activities are reviewed by Audit Committees and/or Board of Directors in accordance with procedures required by relevant regulations or internal controls. During the implementation of such plans, Corporate Treasury function must comply with certain treasury procedures that provide guiding principles for overall financial risk management and segregation of duties. Compliance with policies and exposure limits is reviewed by the internal auditors on a continuous basis.

a. Market risk

The Group's activities exposed it primarily to the financial risks of changes in foreign currency exchange rates (see (1) below) and interest rates (see (2) below).

1) Foreign currency risk

Most of the Group's operating activities are in Taiwan, which is denominated in New Taiwan dollars. Therefore, the operating activities in Taiwan are not exposed to foreign currency risk. The Group took foreign operations as strategic investments and did not hedge the risk.

For the carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period, refer to Note 40.

Foreign currency sensitivity analysis

The following table details the Group's sensitivity to a 1% increase and decrease in the New Taiwan dollars ("NTD", the functional currency) against the relevant foreign currencies. A negative number below indicates an increase in profit before income tax or equity where the NTD strengthens 1% against the relevant currency. For a 1% weakening of the NTD against the relevant currency, the balances below would be negative if the other factors remain unchanged.

	For the Year Ended December 31							
	2019				2018			
	RMB	JPY	USD	MYR	RMB	JPY	USD	MYR
Equity	\$ 40,854	\$ 2,977	\$ 120	\$ 437	\$ 3,439	\$ 2,680	\$ 288	\$ 149
Profit or loss	21	-	1,454	327	18	-	9,007	-

2) Interest rate risk

The Group is exposed to interest rate risk on investments and borrowings; interest rates could be fixed or floating. The investments and part of borrowings are fixed-interest rates and measured at amortized cost, and changes in interest will not affect future cash flows. Another part of borrowings are floating-interest rates, and changes in interest will affect future cash flows, but will not affect fair value.

The carrying amounts of the Group's financial assets and financial liabilities with exposure to interest rates at the end of reporting period were as follows:

	December 31	
	2019	2018
Fair value interest rate risk		
Financial assets	\$ 5,292,138	\$ 916,210
Financial liabilities	13,219,660	11,627,160
Cash flow interest rate risk		
Financial assets	40,153	4,670,837
Financial liabilities	2,300,000	400,000

Interest rate sensitivity analysis

The Group was exposed to cash flow interest rate risk in relation to floating rate financial assets or liabilities, and the financial assets, short-term and long-term borrowings will be affected by the changes in market interest rate accordingly. If the market interest rate increased/decreased by 1%, the Group's cash outflow will increase/decrease by \$22,598 thousand and \$42,708 thousand for the years ended December 31, 2019 and 2018, respectively.

3) Other price risk

The Group was exposed to equity price risk through its investments in mutual funds, domestic quoted shares and foreign quoted shares.

If equity prices had been 1% higher/lower, pre-tax profit for the years ended December 31, 2019 and 2018 would have increased/decreased by \$600 thousand and \$559 thousand, respectively as a result of the changes in fair value of financial assets at FVTPL, and the pre-tax other comprehensive income for the years ended December 31, 2019 and 2018 would have increased/decreased by \$13,493 thousand and \$11,785 thousand, respectively as a result of the changes in fair value of financial assets at FVTOCI.

b. Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group is exposed to credit risk from operating activities, primarily trade receivables, and from investing activities, primarily the fixed-income investments and other financial instruments.

Business related credit risk

The Group is mainly engaged in the operation of real-estate brokerage business and the customers of the Group are the people who buy and sell houses. The revenue of agency service is also received through the housing performance guarantee, so the concentration credit risk of trade receivable is not material.

Financial credit risk

The credit risk of bank deposits, fixed-income investments and other financial instruments are regularly controlled and monitored by the Group's Corporate Treasury function. The counterparties to the foregoing financial instruments are reputable financial institutions and business organizations. Management does not expect the Group's exposure to default by those parties to be material.

c. Liquidity risk

The Group manages liquidity risk by monitoring and maintaining a level of cash and cash equivalents deemed adequate to finance the Group's operations and mitigate the effects of fluctuations in cash flows. In addition, management monitors the utilization of bank borrowings and ensures compliance with loan covenants. The Group has sufficient working capital to pay all debts; thus, there is no liquidity risk.

The Group relies on bank borrowings as a significant source of liquidity. As of December 31, 2019 and 2018, the Group had available unutilized bank loan facilities as follows:

	<u>December 31</u>	
	2019	2018
Unsecured bank overdraft facility, reviewed annually and payable on call:		
Amount used	\$ 2,600,000	\$ 2,444,160
Amount unused	<u>4,680,000</u>	<u>6,380,770</u>
	<u>\$ 7,280,000</u>	<u>\$ 8,824,930</u>
Secured bank overdraft facility:		
Amount used	\$ 4,299,112	\$ 3,683,000
Amount unused	<u>5,876,888</u>	<u>3,315,000</u>
	<u>\$ 10,176,000</u>	<u>\$ 6,998,000</u>

Liquidity and interest rate risk tables for non-derivative financial liabilities

The following table details the Group's remaining contractual maturities for its non-derivative financial liabilities with agreed upon repayment periods. The table has been drawn up based on the undiscounted cash flows of financial liabilities from the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows. Specifically, bank loans with a repayment on demand clause were included in the earliest time band regardless of the probability of the banks choosing to exercise their rights. The maturity dates for other non-derivative financial liabilities were based on the agreed upon repayment dates.

December 31, 2019

	On Demand or Less than 1 Month	1 Month to 1 Year	1-5 Years	5+ Years
Non-interest bearing	\$ 319	\$ 2,997,885	\$ 35,190	\$ -
Lease liabilities	49,503	543,547	2,059,945	934,454
Variable interest rate liabilities	-	-	2,300,000	-
Fixed interest rate liabilities	<u>-</u>	<u>25,295</u>	<u>8,973,817</u>	<u>900,000</u>
	<u>\$ 49,822</u>	<u>\$ 3,566,727</u>	<u>\$ 13,368,952</u>	<u>\$ 1,834,454</u>

Additional information about the maturity analysis for lease liabilities:

	On Demand or Less than 1 Month	1 Month to 1 Year	1-5 Years	5-10 Years	10-20 Years
Lease liabilities	<u>\$ 49,503</u>	<u>\$ 543,547</u>	<u>\$ 2,059,945</u>	<u>\$ 926,076</u>	<u>\$ 8,378</u>

December 31, 2018

	On Demand or Less than 1 Month	1 Months to 1 Year	1-5 Years
Non-interest bearing	\$ 643	\$ 2,985,150	\$ 43,028
Variable interest rate liabilities	-	-	400,000
Fixed interest rate liabilities	<u>-</u>	<u>1,500,000</u>	<u>9,379,160</u>
	<u>\$ 643</u>	<u>\$ 4,485,150</u>	<u>\$ 9,822,188</u>

36. TRANSACTIONS WITH RELATED PARTIES

Balances and transactions between the Company and its subsidiaries had been eliminated on consolidation and are not disclosed in this note. Details of transactions between the Group and other related parties were disclosed below:

Related Parties and Relationship

<u>Related Party</u>	<u>Relationship with the Group</u>
Sinyi Real Estate Consulting Limited	Related party in substance (Note)
Sinyi Land Administration Agent Joint Office	Related party in substance
H&B Business Co., Ltd.	Related party in substance
Sinyi Cultural Foundation	Related party in substance
Yu-Hao Co., Ltd.	Corporate shareholder (direct investment using the equity method)
Sinyi Co., Ltd.	Corporate shareholder (direct investment using the equity method)
Yu-Heng Co., Ltd.	Corporate shareholder (indirect investment using the equity method)
Chou Wang Mei-Wen	Director of the Company
Beijing Sinyi Guaranty Co.	Related party in substance
Global Real Estate Appraisal Office	Related party in substance
Ken Investment Co., Ltd.	Related party in substance
Sin-Heng Limited.	Related party in substance
Sinyi Public Welfare Foundation	Related party in substance
Sinyi Real Estate Appraisal Office	Related party in substance
Sinyi Interior Design Co., Ltd.	Associate
Prospect Hospitality Co., Ltd.	The Company's director is its director

Note: The Group acquired Sinyi Real Estate Consulting Limited in June 15, 2018. The related transactions entities had been consolidated into the consolidated financial statements, and had been eliminated since June 15, 2018.

Operating Revenue

	<u>For the Year Ended December 31</u>	
	<u>2019</u>	<u>2018</u>
Service revenue		
The Company's director is its director	\$ <u>7,589</u>	\$ <u>-</u>

Trade Receivables - Related parties

	<u>December 31</u>	
	<u>2019</u>	<u>2018</u>
The Company's director is its director	\$ <u>426</u>	\$ <u>-</u>

Other Payables to Related Parties

	<u>December 31</u>	
	<u>2019</u>	<u>2018</u>
Other related parties - related parties in substance	\$ <u>45,788</u>	\$ <u>45,930</u>

Parts of other payables to related parties were financing. Information on the financing for the years ended December 31, 2019 and 2018 were as follows:

For the Year Ended December 31, 2019					
	Highest Balance During the Period	Amount	Interest Rate	Interest Expense	Interest Payable
Other related parties - related parties in substance	<u>\$ 39,388</u>	<u>\$ 37,023</u>	-	<u>\$ -</u>	<u>\$ 7,429</u>

For the Year Ended December 31, 2018					
	Highest Balance During the Period	Amount	Interest Rate	Interest Expense	Interest Payable
Other related parties - related parties in substance	<u>\$ 39,964</u>	<u>\$ 38,459</u>	-	<u>\$ -</u>	<u>\$ 6,828</u>

The financing above were unsecured.

Compensation of Key Management Personnel

	For the Year Ended December 31	
	2019	2018
Short-term employee benefits	\$ 133,805	\$ 120,200
Other long-term employee benefits	<u>12,127</u>	<u>11,193</u>
	<u>\$ 145,932</u>	<u>\$ 131,393</u>

Other long-term employee benefits included a long-term incentive plan approved by the Company's board of directors to encourage senior management to contribute further to the sustainable growth of the Company. Senior managers will be entitled to such incentive when they continue to serve for three years starting from the following year after obtaining the qualification and the bonus is calculated on the basis of the Company's operating performance or individual performance.

Other Transactions with Related Parties

a. Rental income

	For the Year Ended December 31	
	2019	2018
Other related parties		
Related parties in substance	\$ 7,388	\$ 9,485
Corporate shareholder (direct investment using the equity method)	114	114
Corporate shareholder (indirect investment using the equity method)	57	57
Associates	<u>34</u>	<u>34</u>
	<u>\$ 7,593</u>	<u>\$ 9,690</u>

The rental rates are based on the prevailing rates in the surrounding area. The Group collects rentals from related parties on a monthly basis.

b. Other benefits

	<u>For the Year Ended December 31</u>	
	2019	2018
Other related parties		
Related parties in substance	<u>\$ 1,012</u>	<u>\$ 1,626</u>

Other benefit is mainly derived from management consulting services provided to the related parties and other incomes.

c. Professional fees

	<u>For the Year Ended December 31</u>	
	2019	2018
Other related parties		
Related parties in substance		
Sinyi Real Estate Consulting Limited	\$ -	\$ 55,103
Others	<u>10,719</u>	<u>7,865</u>
	<u>\$ 10,719</u>	<u>\$ 62,968</u>

Professional fee are mainly payment for services related to instructions of real estate, real estate registration and cadaster access service, etc.

d. Lease agreement

	<u>For the Year Ended December 31</u>	
	2019	2018
Lease liabilities - related parties in substance	<u>\$ 25,659</u>	<u>\$ -</u>
	<u>December 31</u>	
	2019	2018
<u>Interest expense</u>		
Related parties in substance	<u>\$ 392</u>	<u>\$ -</u>
<u>Rental expense</u>		
Related parties in substance	<u>\$ -</u>	<u>\$ 7,673</u>

As of December 31, 2018, the minimum lease payment for the Group's operating leases for related parties is \$35,489 thousand.

e. Other receivables

	<u>December 31</u>	
	<u>2019</u>	<u>2018</u>
Other related parties		
Related parties in substance	\$ <u>1,285</u>	\$ <u>1,269</u>

Property Transactions

The Group acquired 100% equity of Sinyi Real Estate Consulting Limited from Sinyi Co., Ltd. and Yu-Heng Co., Ltd. with an amount of \$8,000 thousand in June 2018. The price was based on the Company's net value on the trading day. Refer to Note 31 for the details.

37. MORTGAGED OR PLEDGED ASSETS

The Group's assets mortgaged or pledged as collateral for bank loans, other financial institutions or other contracts were as follows:

	<u>December 31</u>	
	<u>2019</u>	<u>2018</u>
Property, plant and equipment (including investment properties)		
Land	\$ 4,191,664	\$ 4,241,789
Building	416,351	456,691
Other financial assets - current		
Pledged time deposits and demand deposits	7,153	7,236
Restricted bank deposits	110,326	-
Inventories	<u>9,500,034</u>	<u>8,570,743</u>
	<u>\$ 14,225,528</u>	<u>\$ 13,276,459</u>

Restricted bank deposits are offshore funds in the segregated foreign exchange deposit account which were repatriated by the Group in accordance with The Management Utilization, and Taxation of Repatriated Offshore Funds Act.

38. SIGNIFICANT CONTINGENCIES AND UNRECOGNIZED COMMITMENTS

- a. The Group is involved in claims that arise in the ordinary course of brokerage and escrow business; the other party may claim against the Group through legal proceedings. On the basis of past experience and consultations with legal counsel, management of the Group has measured the possible effects of the contingent lawsuits on its financial condition in brokerage and escrow business.
- b. Guarantee notes submitted as guarantees for real-estate brokerage business amounted to \$5,000 thousand.
- c. The Group has endorsed Sinyi Estate (Hong Kong) and Kunshan Dingxian Trading in obtaining financing limit of \$1,169,200 thousand and \$18,262 thousand, respectively. Refer to Note 41, Table 2 for the details.
- d. As of December 31, 2019, the Group had signed construction contracts but not yet paid for \$1,637,531 thousand.

- e. Shanghai Real Estate, property developer in mainland China, sold real estate and guaranteed the mortgage bank loans of some of its customers (including natural persons and juridical persons); the guarantee amounted to \$19,502 thousand as of December 31, 2019. The amount of mortgage loan was remitted to Shanghai Real Estate for payment of the property sold. If a customer breached a mortgage contract, Shanghai Real Estate will return to the banks only the amount of mortgage received. Therefore, Shanghai Real Estate is not exposed to risk of material loss from the guarantee. The guarantee is just a selling feature in the real estate development industry in China and it does not bear the economic substance and risk of ordinary endorsement. In addition, according to the Q&A No. 35 of the “Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies” (the Regulations) announced on December 26, 2012 by the SFB, the above guarantee provided by Shanghai Real Estate to its customers is similar to an escrow, instead of endorsement as defined in the Regulations.

39. SIGNIFICANT FRANCHISE CONTRACTS

Sinyi Limited entered into a sub-franchise agreement with Cendant Global Services B.V. (“GLOBAL”) and Coldwell Banker Real Estate Corporation (“Coldwell”). Sinyi Limited obtained from the counterparty a license granting the right to use the plans, manuals, system and forms developed by Coldwell and the exclusive right to itself sublicense and/or to sub-sublicense other franchisees and territorial sub-franchisors in China, Hong Kong and Macau. The term of this contract is for forty years from October 12, 1999 and is automatically renewed for another period of forty years to October 11, 2079 unless the contract parties agree to terminate the contract in three months prior to the expiration of the contract. Thereafter, because Sinyi Limited transferred this agreement right to Ke Wei Shanghai on August 1, 1990 and GLOBAL was renamed to Realogy Corporation (“Realogy”) due to its organizational adjustment, Ke Wei Shanghai and Realogy entered into a supplemental sub-franchise agreement for reflecting the necessary amendments in 2008.

40. EXCHANGE RATE OF FINANCIAL ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The significant financial assets and liabilities, denominated in foreign currencies were as follows:

December 31, 2019

	Foreign Currencies (In Thousands)	Exchange Rate	New Taiwan Dollars (In Thousands)
<u>Financial assets</u>			
Monetary items			
RMB	\$ 1,429,607	4.305	\$ 6,154,458
JPY	2,281,500	0.2760	629,694
USD	5,571	29.980	167,011
MYR	10,921	7.330	80,050
Non-monetary items			
RMB	68,582	4.305	295,244
JPY	2,138,132	0.2760	590,124
USD	14	29.980	431
<u>Financial liabilities</u>			
Monetary items			
RMB	480,121	4.305	2,066,920
JPY	1,202,752	0.2760	331,960
USD	322	29.980	9,653
MYR	507	7.330	3,718

December 31, 2018

	Foreign Currencies (In Thousands)	Exchange Rate	New Taiwan Dollars (In Thousands)
<u>Financial assets</u>			
Monetary items			
RMB	\$ 357,687	4.472	\$ 1,599,574
JPY	1,854,823	0.2782	516,012
USD	30,269	30.715	929,726
MYR	2,328	7.112	16,559
Non-monetary items			
RMB	1,104,186	4.472	4,937,920
JPY	1,896,849	0.2782	527,703
USD	44	30.715	1,351
<u>Financial liabilities</u>			
Monetary items			
RMB	280,389	4.472	1,253,900
JPY	891,390	0.2782	247,985
MYR	235	7.112	1,674

The Group is mainly exposed to foreign currency risk from USD, RMB, JPY and MYR. The following information was aggregated by the functional currencies of the Group and the exchange rates between respective functional currencies and the presentation currency were disclosed. The realized and unrealized foreign exchange gains (losses) for the years ended December 31, 2019 and 2018, respectively, were as follows:

Functional Currencies	For the Year Ended December 31			
	2019		2018	
	Exchange Rate	Net Foreign Exchange (Loss) Gain	Exchange Rate	Net Foreign Exchange (Loss) Gain
NTD	1 (NTD:NTD)	\$ 4,024	1 (NTD:NTD)	\$ 3,274
USD	30.912 (USD:NTD)	367	30.149 (USD:NTD)	(508)
RMB	4.472 (RMB:NTD)	(37)	4.560 (RMB:NTD)	(8,249)
JPY	0.2837 (JPY:NTD)	22	0.2730 (JPY:NTD)	64
MYR	7.455 (MYR:NTD)	(256)	7.198 (MYR:NTD)	(343)
HKD	3.945 (HKD:NTD)	(606)	3.846 (HKD:NTD)	7
		<u>\$ 3,514</u>		<u>\$ (5,755)</u>

41. SEPARATELY DISCLOSED ITEMS

Information on significant transactions and information on investees:

- a. Financing provided: Table 1 (see the attached)
- b. Endorsements/guarantees provided to others: Table 2 (see the attached)
- c. Marketable securities held (excluding investment in subsidiaries, associates and joint controlled entities): Table 3 (see the attached)
- d. Marketable securities acquired or disposed of at costs or prices of at least NT\$300 million or 20% of the paid-in capital: Table 4 (see the attached)
- e. Acquisition of individual real estate at costs of at least NT\$300 million or 20% of the paid-in capital: Table 5 (see the attached)
- f. Disposal of individual real estate at prices of at least NT\$300 million or 20% of the paid-in capital: None
- g. Total purchases from or sales to related parties of at least NT\$100 million or 20% of the paid-in capital: None
- h. Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital: Table 6 (see the attached)
- i. Information about derivative instruments: None
- j. Others: The business relationship between the parent and the subsidiaries and between each subsidiary, and significant transactions between them: Table 7 (see the attached)
- k. Information on investees: Table 8 (see the attached)

Information on investments in mainland China:

- a. Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, shareholding ratio, investment gain or loss, carrying amount of the investment at the end of the period, repatriated investment gains, and limit on the amount of investment in the mainland China area: Table 9 (see the attached)
- b. Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses:
 - 1) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period: None
 - 2) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period: None
 - 3) The amount of property transactions and the amount of the resultant gains or losses: None
 - 4) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes: Table 2 (see the attached)

- 5) The highest balance, the end of period balance, the interest rate range, and total current period interest with respect to financing of funds: Table 1 (see the attached)
- 6) Other transactions that have a material effect on the profit or loss for the year or on the financial position, such as the rendering or receiving of services: None

42. SEGMENT INFORMATION

a. Operating segments information

The Group is in the operation of local and international real-estate brokerage business and real-estate developing business. The Group provides information to the chief operating decision maker for the purpose of resources allocation and assessment of segment performance. The information gives emphasis on related laws on real-estate transactions in different countries that may affect the adoption of different marketing strategies.

Management has determined reportable segments as follows:

Real estate brokerage segment

- 1) Companies in Taiwan.
- 2) Companies in mainland China and other foreign companies.

Real estate development segment

- 1) Companies in Taiwan.
- 2) Companies in mainland China and other foreign companies.

The following table was an analysis of the Group's revenue, result of operations and assets of segments for the years ended December 31, 2019 and 2018:

	Real Estate Brokerage			Real Estate Lease Construction and Development			Elimination	Consolidated
	Taiwan	Mainland China and Others	Total	Taiwan	Mainland China and Others	Total		
For the year ended December 31, 2019								
Revenues from external customers	\$ 9,860,389	\$ 922,372	\$ 10,782,761	\$ 183,828	\$ 1,554,300	\$ 1,738,128	\$ -	\$ 12,520,889
Inter-segment revenues	171,021	49,083	220,104	4,525	167,874	172,399	(392,503)	-
Segment revenues	<u>\$ 10,031,410</u>	<u>\$ 971,455</u>	<u>\$ 11,002,865</u>	<u>\$ 188,353</u>	<u>\$ 1,722,174</u>	<u>\$ 1,910,527</u>	<u>\$ (392,503)</u>	<u>\$ 12,520,889</u>
Rental income from investment property								(82,857)
Consolidated revenues								<u>\$ 12,438,032</u>
Operating profit (loss)	<u>\$ 1,732,828</u>	<u>\$ (230,611)</u>	<u>\$ 1,502,217</u>	<u>\$ (95,942)</u>	<u>\$ 479,337</u>	<u>\$ 383,395</u>	<u>\$ 145,453</u>	\$ 2,031,065
Operating income from investment property								(59,507)
Operating income								<u>\$ 1,971,558</u>
Segment assets	<u>\$ 8,292,211</u>	<u>\$ 4,097,562</u>	<u>\$ 12,389,773</u>	<u>\$ 5,675,119</u>	<u>\$ 14,628,037</u>	<u>\$ 20,303,156</u>	<u>\$ (1,054,046)</u>	\$ 31,638,883
Investments accounted for by the equity method and goodwill								31,900
Total assets								<u>\$ 31,670,783</u>
For the year ended December 31, 2018								
Revenues from external customers	\$ 8,186,548	\$ 1,071,722	\$ 9,258,270	\$ 286,419	\$ 3,443,338	\$ 3,729,757	\$ -	\$ 12,988,027
Inter-segment revenues	150,385	12,364	162,749	6,962	155,679	162,641	(325,390)	-
Segment revenues	<u>\$ 8,336,933</u>	<u>\$ 1,084,086</u>	<u>\$ 9,421,019</u>	<u>\$ 293,381</u>	<u>\$ 3,599,017</u>	<u>\$ 3,892,398</u>	<u>\$ (325,390)</u>	<u>\$ 12,988,027</u>
Rental income from investment property								(85,069)
Consolidated revenues								<u>\$ 12,902,958</u>
Operating profit (loss)	<u>\$ 1,253,329</u>	<u>\$ (186,726)</u>	<u>\$ 1,066,603</u>	<u>\$ 33,238</u>	<u>\$ 1,504,611</u>	<u>\$ 1,537,849</u>	<u>\$ 102,032</u>	\$ 2,706,484
Operating income from investment property								(61,582)
Operating income								<u>\$ 2,644,902</u>
Segment assets	<u>\$ 7,396,520</u>	<u>\$ 2,382,953</u>	<u>\$ 9,779,473</u>	<u>\$ 5,338,302</u>	<u>\$ 14,422,507</u>	<u>\$ 19,760,809</u>	<u>\$ (723,771)</u>	\$ 28,816,511
Investments accounted for by the equity method and goodwill								27,553
Total assets								<u>\$ 28,844,064</u>

The Group uses the operating profit (loss) as the measurement for segment profit. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance.

b. Major customers

No single customer accounts for at least 10% of the Group's revenue; therefore, no customer information is required to be disclosed.

SINYI REALTY INC. AND SUBSIDIARIES

FINANCING PROVIDED
FOR THE YEAR ENDED DECEMBER 31, 2019
(In Thousands of New Taiwan Dollars)

No.	Financing Company	Borrower	Financial Statement Account	Related Parties	Maximum Balance for the Year	Ending Balance	Actual Appropriation	Interest Rate	Type of Financing	Transaction Amounts	Reasons for Short-term Financing	Allowance for Doubtful Accounts	Ending Balance of Collateral		Financing Limit for Each Borrowing Company	Financing Company's Financing Amount Limits
													Item	Value		
0	Sinyi Realty Inc.	Hua Yun Renovation (Shanghai) Co., Ltd.	Other receivables	Yes	\$ 912,000 (RMB 200,000 thousand)	\$ 430,500 (RMB 100,000 thousand)	\$ -	1.15%	Short-term financing	\$ -	Needs for operation	\$ -	-	\$ -	\$ 3,262,911 (Note 1)	\$ 4,350,548 (Note 1)
1	Sinyi Real Estate (Shanghai) Limited	Jiu Xin Estate (Wuxi) Limited	Other receivables	Yes	192,318 (RMB 42,000 thousand)	94,710 (RMB 22,000 thousand)	94,710 (RMB 22,000 thousand)	4.75%	Short-term financing	-	Needs for operation	-	-	-	4,924,010 (Note 2)	7,386,015 (Note 2)
		LUNHENG Business Management (Shanghai) Ltd	Other receivables	Yes	69,045 (RMB 15,000 thousand)	64,575 (RMB 15,000 thousand)	64,575 (RMB 15,000 thousand)	4.75%	Short-term financing	-	Needs for operation	-	-	-	4,924,010 (Note 2)	7,386,015 (Note 2)
		SinYeh Enterprise Management (Shanghai) Ltd	Other receivables	Yes	3,590,340 (RMB 780,000 thousand)	-	-	4.75%	Short-term financing	-	Needs for operation	-	-	-	4,924,010 (Note 2)	7,386,015 (Note 2)
2	Hua Yun Renovation (Shanghai) Co., Ltd.	LUNHENG Business Management (Shanghai) Ltd	Other receivables	Yes	34,983 (RMB 7,600 thousand)	32,718 (RMB 7,600 thousand)	32,718 (RMB 7,600 thousand)	4.75%	Short-term financing	-	Needs for operation	-	-	-	13,292,700 (Note 3)	19,939,050 (Note 3)
		SinYeh Enterprise Management (Shanghai) Ltd	Other receivables	Yes	23,015 (RMB 5,000 thousand)	-	-	4.75%	Short-term financing	-	Needs for operation	-	-	-	13,292,700 (Note 3)	19,939,050 (Note 3)
		Suzhou Sinyi Real Estate Inc.	Other receivables	Yes	912,000 (RMB 200,000 thousand)	430,500 (RMB 100,000 thousand)	-	4.75%	Short-term financing	-	Needs for operation	-	-	-	13,292,700 (Note 3)	19,939,050 (Note 3)
3	Shanghai Sinyi Real Estate Inc.	SinYeh Enterprise Management (Shanghai) Ltd	Other receivables	Yes	46,030 (RMB 10,000 thousand)	-	-	4.75%	Short-term financing	-	Needs for operation	-	-	-	1,105,152 (Note 4)	2,210,304 (Note 4)
4	Kunshan Dingxian Trading Co., Ltd.	SinYeh Enterprise Management (Shanghai) Ltd	Other receivables	Yes	452,100 (RMB 100,000 thousand)	430,500 (RMB 100,000 thousand)	-	4.75%	Short-term financing	-	Needs for operation	-	-	-	1,143,740 (Note 5)	1,715,610 (Note 5)
5	Shanghai Shang Tuo Investment Management Consulting Inc.	SinYeh Enterprise Management (Shanghai) Ltd	Other receivables	Yes	27,618 (RMB 6,000 thousand)	-	-	4.75%	Short-term financing	-	Needs for operation	-	-	-	131,187 (Note 6)	218,645 (Note 6)
6	Suzhou Sinyi Real Estate Inc.	Kunshan Dingxian Trading Co., Ltd.	Other receivables	Yes	452,100 (RMB 100,000 thousand)	430,500 (RMB 100,000 thousand)	-	4.75%	Short-term financing	-	Needs for operation	-	-	-	812,910 (Note 7)	1,354,850 (Note 7)
		SinYeh Enterprise Management (Shanghai) Ltd	Other receivables	Yes	912,000 (RMB 200,000 thousand)	-	-	4.75%	Short-term financing	-	Needs for operation	-	-	-	812,910 (Note 7)	1,354,850 (Note 7)

Note 1: The maximum total financing provided should not exceed 40% of Sinyi Realty Inc.'s net worth. The individual lending amount should not exceed 30% of Sinyi Realty Inc.'s net worth.

Note 2: The maximum total financing provided should not exceed 150% of Sinyi Real Estate (Shanghai) Limited's net worth. The individual lending amount should not exceed 100% of Sinyi Real Estate (Shanghai) Limited's net worth.

Note 3: The maximum total financing provided should not exceed 150 times of Hua Yun Renovation (Shanghai) Co., Ltd.'s net worth. The individual lending amount should not exceed 100 times of Hua Yun Renovation (Shanghai) Co., Ltd.'s net worth.

(Continued)

Note 4: The maximum total financing provided should not exceed 300% of Shanghai Sinyi Real Estate Inc.'s net worth. The individual lending amount should not exceed 150% of Shanghai Sinyi Real Estate Inc.'s net worth.

Note 5: The maximum total financing provided should not exceed 15 times of Kunshan Dingxian Trading Co., Ltd.'s net worth. The individual lending amount should not exceed 10 times of Kunshan Dingxian Trading Co., Ltd.'s net worth.

Note 6: The maximum total financing provided should not exceed 5 times of Shanghai Shang Tuo Investment Management Consulting Inc.'s net worth. The individual lending amount should not exceed 3 times of Shanghai Shang Tuo Investment Management Consulting Inc.'s net worth.

Note 7: The maximum total financing provided should not exceed 5 times of Suzhou Sinyi Real Estate Inc.'s net worth. The individual lending amount should not exceed 3 times of Suzhou Sinyi Real Estate Inc.'s net worth.

(Concluded)

SINYI REALTY INC. AND SUBSIDIARIES

ENDORSEMENT/GUARANTEE PROVIDED TO OTHERS
FOR THE YEAR ENDED DECEMBER 31, 2019
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No.	Endorser/Guarantor	Guaranteed Party		Limits on Endorsement/ Guarantee Amount Provided to Each Guaranteed Party	Maximum Balance for the Year	Ending Balance	Actual Appropriation	Amount of Endorsement/ Guarantee Collateralized by Properties	Ratio of Accumulated Endorsement/ Guarantee to Net Equity Per Financial Statement (%)	Maximum Total Endorsement/ Guarantee Allowed to Be Provided by the Endorser/ Guarantor	Guarantee Given by Parent on Behalf of Subsidiaries	Guarantee Given by Subsidiaries on Behalf of the Company	Guarantee Given on Behalf of Companies in Mainland China	Note
		Name	Nature of Relationship											
0	Sinyi Realty Inc.	Samoa Sinyi International Limited	Indirect subsidiary	\$ 8,701,096 (Note 1)	\$ 170,640 (US\$ 5,400 thousand)	\$ -	\$ -	\$ -	-	\$ 16,314,555 (Note 1)	Yes	No	No	(Note 4)
		Sinyi Real Estate (Hong Kong) Limited	Indirect subsidiary	8,701,096 (Note 1)	1,224,210 (US\$ 39,000 thousand)	1,169,220 (US\$ 39,000 thousand)	-	-	10.75	16,314,555 (Note 1)	Yes	No	No	(Note 4)
1	Sinyi Real Estate (Shanghai) Ltd.	SinYeh Enterprise Management (Shanghai) limited	Indirect subsidiary	3,939,208 (Note 2)	91,520 (RMB 20,000 thousand)	-	-	-	-	4,929,010 (Note 2)	No	No	Yes	(Note 5)
2	Jiu Xin Estate (Wuxi) Limited	Kunshan Dingxian Trading Co., Ltd.	Business dealings	4,537,772 (Note 3)	19,345 (RMB 4,242 thousand)	18,262 (RMB 4,242 thousand)	18,262 (RMB 4,242 thousand)	-	0.32	5,672,216 (Note 3)	No	No	Yes	(Note 6)

Note 1: For those subsidiaries Sinyi Realty Inc. has over 50% ownership directly or indirectly, the limit of endorsement/guarantee amount for each guaranteed party should not exceed 80% of Sinyi Realty Inc.'s net worth. The maximum total endorsement/guarantee should not exceed 150% of Sinyi Realty Inc.'s net worth.

Note 2: For those subsidiaries Sinyi Real Estate (Shanghai) Limited has over 80% of ownership directly or indirectly, the limit of endorsement/guarantee amount for each guaranteed party should not exceed 80% of Sinyi Real Estate (Shanghai) Limited's net worth. The maximum total endorsement/guarantee should not exceed 100% of Sinyi Real Estate (Shanghai) Limited's net worth.

Note 3: For those subsidiaries which Jiu Xin Estate (Wuxi) Limited has over 80% of ownership directly or indirectly, the limit of endorsement/guarantee amount for each guaranteed party should not exceed 80% of Jiu Xin Estate (Wuxi) Limited's net worth. The maximum total endorsement/guarantee should not exceed 100% of Jiu Xin Estate (Wuxi) Limited's net worth.

Note 4: The endorsement was provided for applying for line of credit.

Note 5: The endorsement was provided for meeting the criteria of tender of land.

Note 6: The endorsement was provided for procurement of construction materials.

SINYI REALTY INC. AND SUBSIDIARIES

MARKETABLE SECURITIES HELD (EXCLUDING INVESTMENT IN SUBSIDIARIES, ASSOCIATES AND JOINT CONTROLLED ENTITIES)

FOR THE YEAR ENDED DECEMBER 31, 2019

(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Holding Company Name	Marketable Securities Type and Name	Relationship with the Holding Company	Financial Statement Account	December 31, 2019				Note
				Shares/Units	Carrying Value	Percentage of Ownership (%)	Market Value or Net Asset Value	
Sinyi Realty Inc.	<u>Listed shares</u> E.SUN Financial Holding Co., Ltd.	-	Financial assets at fair value through other comprehensive income - current	13,730,751	\$ 383,088	-	\$ 383,088	
	<u>Unlisted shares</u> Han Yu Venture Capital Co., Ltd.	-	Financial assets at fair value through other comprehensive income - non-current	5,000,000	43,095	11.0	43,095	
	NOWnews Network Co., Ltd.	-	Financial assets at fair value through other comprehensive income - non-current	3,157,000	52,437	10.0	52,437	
	PChome Investment Co., Ltd.	-	Financial assets at fair value through other comprehensive income - non-current	196,350	-	8.0	-	
	Kun Gee Venture Capital Co., Ltd.	-	Financial assets at fair value through other comprehensive income - non-current	160,650	-	3.0	-	
	Cité Publishing Holding Ltd.	-	Financial assets at fair value through other comprehensive income - non-current	7,637	-	1.0	-	
	Cité Information Services Co., Ltd.	-	Financial assets at fair value through other comprehensive income - non-current	106,392	-	1.0	-	
Sinyi Limited	<u>Listed shares</u> Orix Corp.	-	Financial assets at fair value through other comprehensive income - current	1,180,800	590,125	-	590,125	
	<u>Monetary market fund</u> Western Asset US Dollar Fund A	-	Financial assets at fair value through profit or loss - current	14,390	431	-	431	
Shanghai Sinyi Real Estate Inc.	<u>Listed shares</u> 5i5j Holding Group Co., Ltd.	-	Financial assets at fair value through other comprehensive income - current	1,410,230	26,166	4.7	26,166	

(Continued)

Holding Company Name	Marketable Securities Type and Name	Relationship with the Holding Company	Financial Statement Account	December 31, 2019				Note
				Shares/Units	Carrying Value	Percentage of Ownership (%)	Market Value or Net Asset Value	
Shanghai Sinyi Real Estate Inc.	<u>Unlisted shares</u> Cura Investment Management (Shanghai) Co., Ltd.	-	Financial assets at fair value through other comprehensive income - non-current	30,000,000	\$ 254,426	2.0	\$ 254,426	
Sinyi Development Inc.	<u>Listed shares</u> CTCI Corporation	-	Financial assets at fair value through profit or loss - current	170,940	6,513	-	6,513	
Snyi Global Asset Management Co., Ltd.	<u>Monetary market fund</u> Taishin 1699 Money Market Fund	-	Financial assets at fair value through profit or loss - current	1,174,851	15,959	-	15,959	
An-Sin Real Estate Management Ltd.	<u>Monetary market fund</u> Taishin 1699 Money Market Fund	-	Financial assets at fair value through profit or loss - current	2,729,416	37,077	-	37,077	
Ke Wei Shanghai Real Estate Management Consulting Inc.	<u>Financial product</u> Bubu Shengking No. 8688	-	Financial assets at fair value through profit or loss - current	700,000	3,585	-	3,585	
Shanghai Shang Tuo Investment Management Consulting Inc.	Bubu Shengking No. 8688	-	Financial assets at fair value through profit or loss - current	50,000	248	-	248	
Beijing Sinyi Real Estate Ltd.	Bank of China Steady Growth -Daily Plan	-	Financial assets at fair value through profit or loss - current	2,440,000	10,820	-	10,820	

(Concluded)

SINYI REALTY INC. AND SUBSIDIARIES

MARKETABLE SECURITIES ACQUIRED OR DISPOSED OF AT COSTS OR PRICES OF AT LEAST NT\$300 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2019
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Company Name	Marketable Securities Type and Name	Financial Statement Account	Counterparty	Nature of Relationship	Beginning Balance		Acquisition		Disposal				Ending Balance	
					Shares/Units	Amount	Shares/Units	Amount	Shares/Units	Amount	Costs (Note 2)	Gain or Loss	Shares/Units	Amount
Sinyi Realty Inc.	Shares SIN CHIUN HOLDING SDN. BHD.	Investments accounted for using equity method	-	Subsidiary	6,537,766	\$ 49,140 (Note 1)	157,000,000	\$ 1,185,768	-	\$ -	\$ -	\$ -	159,537,766	\$ 1,234,908 (Note 1)
Sinyi Real Estate (Shanghai) Limited	Shares SinYeh Enterprise Management (Shanghai) limited	Investments accounted for using equity method	-	Subsidiary	-	-	-	1,820,900	-	-	-	-	-	1,820,900 (Note 1)
Sinyi Real Estate (Shanghai) Limited	Financial product Yeh-de-yin No. 18100787	Financial assets at fair value through profit or loss - current	-	-	120,000,000	RMB 120,026	-	RMB -	120,000,000	RMB 121,195	RMB 121,195	RMB -	-	RMB -
	Structured Financial Product (Product ID: 201810294860)	Financial assets at fair value through profit or loss - current	-	-	240,000,000	RMB 240,503	-	RMB -	240,000,000	RMB 243,003	RMB 243,003	RMB -	-	RMB -
	Structured Financial Product (Product ID: 201811194978)	Financial assets at fair value through profit or loss - current	-	-	200,000,000	RMB 200,293	-	RMB -	200,000,000	RMB 202,274	RMB 202,274	RMB -	-	RMB -
	Fortune Shuttle No.3	Financial assets at fair value through profit or loss - current	-	-	470,000,000	RMB 470,167	-	RMB -	470,000,000	RMB 474,428	RMB 474,428	RMB -	-	RMB -
	Fortune Shuttle No.S21	Financial assets at fair value through profit or loss - current	-	-	-	RMB -	711,000,000	RMB 711,000	711,000,000	RMB 712,248	RMB 712,248	RMB -	-	RMB -
SinYeh Enterprise Management (Shanghai) limited	Financial product Fortune Shuttle No.S21	Financial assets at fair value through profit or loss - current	-	-	-	RMB -	1,189,500,000	RMB1,189,500	1,189,500,000	RMB1,193,347	RMB1,193,347	RMB -	-	RMB -

Note 1: The ending balance presents historical cost.

Note 2: The ending balance includes the final evaluation amount.

SINYI REALTY INC. AND SUBSIDIARIES

**ACQUISITION OF INDIVIDUAL REAL ESTATE AT PRICES OF AT LEAST NT\$300 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2019**

(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Buyer	Property	Event Date	Transaction Amount	Amount Payment	Counterparty	Relationship	The Former Transfer Information If the Counterparty Is A Related Party				Price Reference	Purpose of Acquisition	Other Terms
							Owner	The Relationship with the Company	Date of Transfer	Amount			
SIN CHIUN HOLDING SDN. BHD.	Right-of-use asset of land at Pulau Mengalum, Sabah, in Malaysia.	September 18, 2019	\$ 980,100 (MYR 137,500 thousand)	100% of the total price has been paid	Mengalum Beach Centre Sdn. Bhd.	-	-	-	-	\$ -	According to the appraisal report, the amount of MYR141,000 thousand.	Development of real estate for tourism.	-
	Right-of-use asset of land at Pulau Mengalum, Sabah, in Malaysia.	December 30, 2019	598,125 (MYR 82,500 thousand)	10% of the total price has been paid	Mengalum Tours & Dive Resort Sdn. Bhd.	-	-	-	-	-	According to the appraisal report, the amount of MYR84,100 thousand.	Development of real estate for tourism.	-

SINYI REALTY INC. AND SUBSIDIARIES

**RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2019
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

Company Name	Nature of Relationships	Related Party	Ending Balance	Turnover Date	Overdue		Amounts Received in Subsequent Period	Allowance for Bad Debts
					Amount	Action Taken		
Sinyi Realty Inc.	An-Sin Real Estate Management Ltd.	Subsidiary	\$ 153,675	-	\$ -	-	\$ 153,675	\$ -

SINYI REALTY INC. AND SUBSIDIARIES

**INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT TRANSACTIONS
FOR THE YEAR ENDED DECEMBER 31, 2019**
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No.	Company Name	Counterparty	Flow of Transactions	Transaction Details			
				Financial Statement Account	Amount	Payment Terms	Percentage to Consolidated Total Assets/Revenue (%)
0	Sinyi Realty Inc.	An-Sin Real Estate Management Ltd. Sinyi Real Estate Consulting Ltd.	a	Trade receivables	\$ 153,675	Regular settlement	-
			a	Service costs	122,181		-
1	Sinyi Real Estate (Shanghai) Limited	Kunshan Dingxian Trading Co., Ltd. Kunshan Dingxian Trading Co., Ltd. Jiu Xin Estate (WuXi) Limited	c	Advanced real estate receipts	195,320	For working capital, rate at 4.75%	-
			c	Trade receivables	80,356		-
			c	Other receivables	94,710		-
2	Kunshan Dingxian Trading Co., Ltd.	Jiu Xin Estate (WuXi) Limited Sinyi Real Estate (Shanghai) Limited	c	Advanced real estate receipts	332,512	-	1
			c	Sales revenue	101,977	-	-

Note 1: Parties to the intercompany transactions are identified and numbered (in first column) as follows:

- a. "0" for Sinyi Realty Inc.
- b. Subsidiaries are numbered from "1".

Note 2: Flows of transactions are categorized as follows:

- a. From a parent company to its subsidiary.
- b. From a subsidiary to its parent company.
- c. Between subsidiaries.

Note 3: Percentage to consolidated total assets is calculated by dividing the amount of a particular asset or liability account by the consolidated total of assets as of December 31, 2019.
Percentage to consolidated total revenues is calculated by dividing the amount of a particular revenue or cost or expense account by the consolidated total operating revenues for the year ended December 31, 2019.

Note 4: The table is disclosed by the Company based on the principle of materiality.

SINYI REALTY INC. AND SUBSIDIARIES

INFORMATION ON INVESTEEES
FOR THE YEAR ENDED DECEMBER 31, 2019
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investor Company	Investee Company	Location	Main Businesses and Products	Investment Amount		Balance as of December 31, 2019			Net Income (Loss) of the Investee	Investment Income (Loss) Recognized	Note
				Ending Balance	Beginning Balance	Shares	Percentage of Ownership (%)	Carrying Value			
Sinyi Realty Inc.	Samoa Sinyi International Limited	Equity Trust Chamber, P.O. Box 3269, Apia, Samoa	Investment holding	\$ 10,406,773	\$ 10,406,773	345,238,037	100	\$ 11,241,168	\$ 190,298	\$ 190,298	
	Sinyi Limited (B.V.I.)	4th Floor, Ellen Skelton Building, 3076 Sir Francis Drake Highway, Road Town, Tortola VG1110, B. V. I.	Investment holding	2,227,354	2,103,724	68,777,000	100	1,377,377	(134,676)	(134,676)	
	Sinyi Development Inc.	No. 100, Sinyi Rd., Sec. 5, Sinyi District, Taipei City, Taiwan	Development, construction, rental and sale of residential building and factories	2,035,005	2,035,005	203,500,000	100	1,800,618	(153,355)	(153,355)	
	Sinyi Global Asset Management Co., Ltd.	No. 100, Sinyi Rd., Sec. 5, Sinyi District, Taipei City, Taiwan	Real estate brokerage	29,180	29,180	5,000,000	100	86,406	18,749	18,749	
	Heng-Yi Intelligent Technology Inc.	No. 100, Sinyi Rd., Sec. 5, Sinyi District, Taipei City, Taiwan	Information software, data processing and electronic information providing service	21,000	15,000	2,100,000	75	3,569	(10,152)	(7,514)	
	Jui-Inn Consultants Co., Ltd.	No. 100, Sinyi Rd., Sec. 5, Sinyi District, Taipei City, Taiwan	Management consulting	5,000	5,000	500,000	100	1,068	(80)	(80)	
	Sinyi Culture Publishing Inc.	No. 100, Sinyi Rd., Sec. 5, Sinyi District, Taipei City, Taiwan	Publication	4,960	4,960	-	99	2,205	195	193	
	An-Sin Real Estate Management Ltd.	No. 100, Sinyi Rd., Sec. 5, Sinyi District, Taipei City, Taiwan	Real estate management	25,500	25,500	7,650,000	51	116,202	29,612	15,102	
	Sinyi Interior Design Co., Ltd.	No. 100, Sinyi Rd., Sec. 5, Sinyi District, Taipei City, Taiwan	Interior design	950	950	95,000	19	15,774	433	83	
	Yowoo Technology Inc.	No. 100, Sinyi Rd., Sec. 5, Sinyi District, Taipei City, Taiwan	Information software, data processing and electronic information providing service	193,000	135,000	10,000,000	100	25,700	(41,249)	(41,249)	
Rakuya International Info. Co., Ltd.	12F. No. 105, Dunhua S. Rd., Sec. 2, Daan District, Taipei City, Taiwan	Information software wholesale and retail	19,076	19,076	2,580,743	23	16,126	6,408	1,442		
SIN CHIUN HOLDING SDN. BHD.	Suite 9-13A, Level 9, Wisma Uoa II, Jalan Pinang, 50450 Kuala Lumpur, Malaysia	Investment holding	1,234,908	49,140	163,537,766	100	1,152,946	(16,308)	(16,308)		
Sinyi Real Estate Consulting Limited	No. 100, Sinyi Rd., Sec. 5, Sinyi District, Taipei City, Taiwan	Production of instructions of real estate	8,000	8,000	500,000	100	3,517	4,255	4,255		
Sinyi International Limited (Samoa)	Forever Success International Limited (Mauritius)	3rd Floor, Standard Chartered Tower, 19 Cybercity, Ebene, Mauritius.	Investment holding	68,741	68,741	2,216,239	100	177,275	148,889	148,889	
	Sinyi Realty Inc. Japan	2nd Floor, Shoritsu Building 2-7-1 Yoyogi Shibuya-ku, Tokyo, Japan	Real estate brokerage, management and identification	58,064	58,064	16,000	100	310,995	35,704	35,704	
	Sinyi Development Ltd.	TMF Chambers, P.O. Box 3269, Apia Samoa	Investment holding	3,919,127	3,919,127	133,506,209	100	5,047,635	182,516	182,516	
	Sinyi Estate Ltd.	TMF Chambers, P.O. Box 3269, Apia Samoa	Investment holding	6,360,046	6,360,046	208,500,000	100	5,716,603	(165,289)	(165,289)	
Sinyi Limited (B.V.I.)	Inane International Limited (B.V.I.)	4th Floor, Ellen Skelton Building, 3076 Sir Francis Drake Highway, Road Town, Tortola VG1110, B. V. I.	Investment holding	1,647,792	1,493,092	51,935,840	100	737,056	(133,850)	(133,850)	
	Ke Wei HK Realty Limited	Rooms 2103, Futura Plaza, 111 How Ming Street, Kwun Tong, HK	Investment holding	95,129	95,129	2,675,000	99	(203)	(11,989)	(11,871)	
Inane International Limited (B.V.I.)	Max Success International Limited	Palm Grove House, P.O. Box 438, Road Town, Torola, British Virgin Islands	Investment holding	66,174	66,174	1,584,000	100	10,847	-	-	
An-Sin Real Estate Management Ltd.	An-Shin Real Estate Management Ltd.	No. 100, Sinyi Rd., Sec. 5, Sinyi District, Taipei City, Taiwan	Real estate management	100,000	100,000	10,000,000	100	78,708	10,523	10,523	
Sinyi Realty Inc. Japan	Sinyi Management Co., Ltd.	2nd Floor, Shoritsu Building 2-7-1 Yoyogi Shibuya-ku, Tokyo, Japan	Real estate brokerage, management and identification	10,746	10,746	600	100	53,122	10,321	10,321	
	Tokyo Sinyi Real Estate Co., Ltd.	3rd Floor, No. 100, Sinyi Rd., Sec. 5, Sinyi District, Taipei City, Taiwan	Real estate brokerage	5,000	5,000	500,000	100	20,071	3,415	3,415	
Sinyi Development Ltd.	Sinyi Real Estate (Hong Kong) Limited	Room 802, 8 Floor, Millennium City 2, 378 Kwun Tong Road, Kwun Tong, Hong Kong	Investment holding	3,888,107	3,888,107	131,640,306	100	4,932,615	140,556	140,556	
Sinyi Estate Ltd.	Sinyi Estate (Hong Kong) Limited	Unit 2103, Futura Plaza, 111 How Ming Street, Kwun Tong, Kowloon, Hong Kong	Investment holding	6,350,826	6,350,826	207,017,497	100	5,671,739	(165,290)	(165,290)	
Sinyi Development Inc.	Da-Chia Construction Co., Ltd.	No. 100, Sinyi Rd., Sec. 5, Sinyi District, Taipei City, Taiwan	Development, construction, rental and sale of residential building and factories	500	500	50,000	100	146	(57)	(57)	
	Sinyi Real Estate Co., Ltd.	No. 100, Sinyi Rd., Sec. 5, Sinyi District, Taipei City, Taiwan	Development, construction, rental and sale of residential building and factories	500	500	50,000	100	70	(57)	(57)	
SIN CHIUN HOLDING SDN. BHD.	FIDELITY PROPERTY CONSULTANT SDN. BHD.	Suite 9-13A, Level 9, Wisma Uoa II, Jalan Pinang, 50450 Kuala Lumpur, Malaysia	Management and identification	33,465	22,604	4,463,949	49	14,151	(9,378)	(4,595)	
	PEGUSUS HOLDING SDN. BHD.	Suite 9-13A, Level 9, Wisma Uoa II, Jalan Pinang, 50450 Kuala Lumpur, Malaysia	Investment holding	35,372	24,030	4,721,100	100	15,702	(4,858)	(4,858)	

(Continued)

Investor Company	Investee Company	Location	Main Businesses and Products	Investment Amount		Balance as of December 31, 2019			Net Income (Loss) of the Investee	Investment Income (Loss) Recognized	Note
				Ending Balance	Beginning Balance	Shares	Percentage of Ownership (%)	Carrying Value			
PEGUSUS HOLDING SDN. BHD.	FIDELITY PROPERTY CONSULTANT SDN. BHD.	Suite 9-13A, Level 9, Wisma Uoa II, Jalan Pinang, 50450 Kuala Lumpur, Malaysia	Management and identification	\$ 34,831	\$ 23,526	4,646,151	51	\$ 14,728	\$ (4,783)	\$ (4,783)	
Yowoo Technology Inc.	Wu Pu Co., Ltd.	No. 100, Sinyi Rd., Sec. 5, Sinyi District, Taipei City, Taiwan	Investment holding	-	500	-	-	-	(66)	(66)	Note
	Heng-Yi Intelligent Technology Inc.	No. 100, Sinyi Rd., Sec. 5, Sinyi District, Taipei City, Taiwan	Information software, data processing and electronic information providing service	7,000	-	700,000	25	1,190	(10,152)	(1,410)	
	Lin Yue Traffic Inc.	No. 100, Sinyi Rd., Sec. 5, Sinyi District, Taipei City, Taiwan	Manpower dispatch and merchandise delivery	11,300	-	3,080,000	100	11,186	22,291	(114)	

Note: The Corporation has been liquidated in November 2019.

(Concluded)

SINYI REALTY INC. AND SUBSIDIARIES

INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE YEAR ENDED DECEMBER 31, 2019
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investee Company Name	Main Businesses and Products	Total Amount of Paid-in Capital	Investment Type	Accumulated Outflow of Investment from Taiwan as of January 1, 2019	Investment Flows		Accumulated Outflow of Investment from Taiwan as of December 31, 2019	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Income (Loss) Recognized (Note 1)	Carrying Value as of December 31, 2019 (Note 2)	Accumulated Inward Remittance of Earnings as of December 31, 2019
					Outflow	Inflow						
Ke Wei Shanghai Real Estate Management Consulting Inc.	Real estate brokerage and management consulting	RMB 19,638	Investment in company located in mainland China indirectly through Ke Wei HK Realty Limited	\$ 81,859	\$ -	\$ -	\$ 81,859	\$ (11,944)	100	\$ (11,944)	\$ (57)	\$ -
Shanghai Sinyi Real Estate Inc. (Note 3)	Real estate brokerage	RMB 293,632	Investment in company located in mainland China indirectly through Inane International Limited	1,140,018	154,400	-	1,294,418	(109,730)	100	(109,730)	737,668	-
Beijing Sinyi Real Estate Ltd. (Note 3)	Real estate brokerage	RMB 34,747	Investment in company located in mainland China indirectly through Inane International Limited	149,955	-	-	149,955	(3,682)	100	(3,682)	(20,443)	-
Shanghai Zhi Xin allograph Ltd.	Real estate brokerage and management consulting	RMB 11,968	Investment in company located in mainland China indirectly through Inane International Limited	17,095	-	-	17,095	(11,937)	100	(11,937)	19,816	-
Suzhou Sinyi Real Estate Inc. (Note 3)	Real estate brokerage and management consulting	RMB 68,000	Investment in company located in mainland China indirectly through Shanghai Sinyi Real Estate Inc.	22,414	-	-	22,414	(21,009)	100	(21,009)	270,970	-
Cura Investment Management (Shanghai) Co., Ltd. (Note 4)	Real estate fund investment management	RMB 1,636,300	Investment in company located in mainland China indirectly through Shanghai Sinyi Real Estate Inc.	-	-	-	-	-	2	-	254,426	-
Zhejiang Sinyi Real Estate Co., Ltd. (Note 3)	Real estate brokerage and management consulting	RMB 27,200	Investment in company located in mainland China indirectly through Shanghai Sinyi Real Estate Inc.	43,766	-	-	43,766	(11,199)	100	(11,199)	9,675	-
Shanghai Shang Tuo Investment Management Consulting Inc.	Real estate brokerage and management consulting	RMB 5,961	Investment in company located in mainland China indirectly through Forever Success International Ltd.	27,432	-	-	27,432	20,884	100	20,884	43,729	-
Chengdu Sinyi Real Estate Co., Ltd. (Note 5)	Real estate brokerage and management consulting	RMB -	Investment in company located in mainland China indirectly through Inane International Limited	62,005	-	-	62,005	-	-	-	-	-
Qingdao Chengjian & Sinyi Real Estate Co., Ltd. (Note 6)	Real estate brokerage and management consulting	RMB -	Investment in company located in mainland China indirectly through Inane International Limited	37,295	-	-	37,295	-	-	-	-	-
Sinyi Real Estate (Shanghai) Limited	Development of commercial and residential building and auxiliary facilities; and construction, rental, sale and property management	RMB 802,513	Investment in company located in mainland China indirectly through Sinyi Real Estate (Hong Kong) Limited	3,868,747	-	-	3,868,747	158,407	100	158,407	4,924,010	1,218,297

(Continued)

Investee Company Name	Main Businesses and Products	Total Amount of Paid-in Capital	Investment Type	Accumulated Outflow of Investment from Taiwan as of January 1, 2019	Investment Flows		Accumulated Outflow of Investment from Taiwan as of December 31, 2019	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Income (Loss) Recognized (Note 1)	Carrying Value as of December 31, 2019 (Note 2)	Accumulated Inward Remittance of Earnings as of December 31, 2019
					Outflow	Inflow						
Hua Yun Renovation (Shanghai) Co., Ltd.	Professional construction, building decoration construction, hard ware, building materials wholesale	RMB 8,000	Investment in company located in mainland China indirectly through Forever Success International Ltd.	\$ 40,465	\$ -	\$ -	\$ 40,465	\$ 128,003	100	\$ 128,003	\$ 132,927	\$ -
Kunshan Dingxian Trading Co., Ltd.	Construction materials, furniture, sanitary ware and ceramic products wholesale	RMB 6,000	Investment in company located in mainland China indirectly through Sinyi Development Ltd.	31,020	-	-	31,020	41,928	100	41,928	114,374	-
Shanghai Chang Yuan Co., Ltd.	Property, business and management consulting	RMB 2,200	Investment in company located in mainland China indirectly through Shanghai Shang Tuo Investment Management Consulting Inc.	-	-	-	-	540	100	540	8,985	-
Jiaying Zhi Zheng Real Estate Marketing Planning Inc.	Real estate marketing planning and management consulting	RMB 100	Investment in company located in mainland China indirectly through Shanghai Sinyi Real Estate Inc.	-	-	-	-	17	100	17	1,039	-
Jiu Xin Estate (Wuxi) Limited	Real estate development	US\$ 207,000	Investment in company located in mainland China indirectly through Sinyi Real Estate (Hong Kong) Limited	3,900,696	-	-	3,900,696	(165,286)	100	(165,286)	5,672,216	-
Suzhou ZHI XIN Real Estate Co., Ltd.	Real estate brokerage and management consulting	RMB 3,000	Investment in company located in Mainland China indirectly through Shanghai ZHI XIN Allograph Ltd	-	-	-	-	(10,207)	100	(10,207)	3,071	-
LUNHENG Business Management (Shanghai) Ltd	Business management consulting, financial advisory and marketing strategy	RMB 11,400	Investment in company located in Mainland China indirectly through Hua Yun Renovation (Shanghai) Co., Ltd.	-	-	-	-	(240)	100	(240)	48,753	-
Xin Yeh Business Administration (Shanghai) Ltd.	Development of commercial and residential building and auxiliary facilities; and construction, rental, sale and property management	RMB 400,000	Investment in company located in Mainland China indirectly through Sinyi Real Estate (Shanghai) Limited.	-	-	-	-	(21,707)	100	(21,707)	1,731,847	-

Accumulated Outflow for Investment in Mainland China as of December 31, 2019	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment (Note 7)
\$9,577,167	\$15,895,093	\$ -

Note 1: The amounts were based on the audited financial statements.

Note 2: The carrying value was converted into New Taiwan dollars at the exchange rates of US\$1=NT\$29.98 and US\$1=RMB6.964 on December 31, 2019.

Note 3: Some of the investments were made indirectly through earnings of the Company's subsidiary in China.

Note 4: Investments were made indirectly through the earnings of the Company's subsidiary in China.

Note 5: The Corporation has been liquidated in June 2019.

Note 6: The Corporation has been liquidated in June 2017.

Note 7: The Company has acquired the certification of operation headquarters issued by the Ministry of Economic Affairs, ROC.

V. The audited standalone financial statements of the lastest fiscal year

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Sinyi Realty Inc.

Opinion

We have audited the accompanying financial statements of Sinyi Realty Inc. (the "Company"), which comprise the balance sheets as of December 31, 2019 and 2018, and the statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2019 and 2018, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards generally accepted in the Republic of China (ROC). 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 Accountant of the ROC, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

As stated in Note 3 to the accompanying financial statements, starting from 2019, the Company adopted and retroactively applied the amended Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), Interpretations of IFRS (IFRIC), and Interpretations of IAS (SIC) endorsed and issued by the Financial Supervisory Commission applicable starting from 2019. The Company chose not to restate the comparative information of the statements of financial statements. Even so, our opinion does not need to be modified in respect of this matter.

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 for the year ended December 31, 2019. 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.

The key audit matters identified in the Company's financial statements for the year ended December 31, 2019 are stated as follows:

Evaluation of Profit and Loss Recognition of Investments Accounted for Using the Equity Method - Revenue Earned from Sales of Real Estate

As stated in Note 10 to the accompanying financial statements, as of December 31, 2019, the carrying amount of the investment in Sinyi International Limited (Sinyi International) and Sinyi Development Inc. (Sinyi Development) accounted for using the equity method is NT\$11,241,168 thousand and NT\$1,800,618 thousand, representing 43% and 7% of the Company's assets, respectively. For the year ended December 31, 2019, the amount of profit (loss) accounted for using the equity method is NT\$190,298 thousand and NT\$(153,355) thousand, representing 22% and (18%) of the Company's total comprehensive income (loss), respectively. We identified the financial position and performance of Sinyi International and Sinyi Development to have material impact on the Company's financial statements. Thus, we considered Sinyi International and Sinyi Development's recognition of real estate revenue as a key audit matters.

For the year ended December 31, 2019, the Company's revenue from the sales of real estate of Sinyi International, Sinyi International's subsidiaries, and Sinyi Development was NT\$1,688,401 thousand. Refer to Note 4 to the consolidated financial statements for the 2019 accounting policies of real estate sales revenue of Sinyi International, Sinyi International's subsidiaries, and Sinyi Development. When the Company's real estate has reached the expected state of use and it has been accepted and qualified for use by relevant departments and the filing procedures have been completed, Sinyi International, Sinyi International's subsidiaries, and Sinyi Development issue a transfer notice of real estate based on the terms of the contract and recognizes sales revenue on the date of transfer. Since revenue from sales of real estate must be recognized after the real estate in question meets the above conditions, the recognition of revenue earned from the sale of real estate is regarded as a key audit matter.

We tested the control to understand the timing of the revenue recognition of the sales of real estate. We also evaluated the design and implementation of the relevant control of Sinyi International, Sinyi International's subsidiaries, and Sinyi Development. We selected samples from sales transactions of the current year to review the sales contracts signed by both parties to understand the terms and conditions of the contracts, verified whether the collection records of such sales are consistent with the sales prices stated in contracts. We also verified the transfer notices and relevant transfer records to confirm that the revenue from sales of real estate was recognized after the completion of the transfer procedures and verified that the revenue was earned and was properly recorded in the correct accounting period.

Evaluation of Profit and Loss Recognition of Investments Accounted for Using the Equity Method - Valuation of Inventories

As stated in the key audit matter of the preceding paragraph, as of and for the year ended December 31, 2019, we identified the financial position and performance of Sinyi International and Sinyi Development to have material impact on the Company's financial statements. Thus, we considered Sinyi International and Sinyi Development's valuation of inventories as a in key audit matters.

As of December 31, 2019, the total amount of inventories of Sinyi International, Sinyi International's subsidiaries, and Sinyi Development was NT\$10,682,189 thousand. In order to evaluate the net realizable value of their inventories, Sinyi International, Sinyi International's subsidiaries, and Sinyi Development had to take into consideration the rationality of the estimated selling price and additional costs, changes in the overall economic environment, and effects of changes in related business regulations. Since the evaluation of inventories' net realizable value is subject to management's significant judgment, we identified the valuation of inventories as a key audit matter.

We focused on the valuation of inventories at the balance sheets date. We selected samples from the inventory balance to assess and test the net realizable value of inventories estimated by the management as well as the rationale of key parameters used in the valuation. The procedures included but were not limited to inspecting the latest actual transaction price or market transaction price of similar real estate, and we recalculated the amount to determine if the net realizable value of inventories is not lower than the carrying amount. We inspected the selected samples and performed the recalculation procedures, and we verified the accuracy of the valuation of inventories

Refer to the consolidated financial statements on the following notes regarding the valuation of inventories: Note 4 for the accounting policies of the Company, Note 5 for the description of critical accounting judgements and key sources of estimation uncertainty, and Note 10 for the related presentation and disclosures.

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, including the audit committee, 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 auditors' 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 auditing standards generally accepted in ROC 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 auditing standards generally accepted in ROC, we exercise professional judgment and maintain 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 auditors' 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 entities or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision, and performance of the company 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 for the year ended December 31, 2019 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 Wen-Yea Shyu and Kwan-Chung Lai.

Deloitte & Touche
Taipei, Taiwan
Republic of China

February 27, 2020

Notice to Readers

The accompanying financial statements are intended only to present the financial position, financial performance and cash flows in accordance with 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 financial statements are those generally applied in the Republic of China.

For the convenience of readers, the independent auditors' report and the accompanying financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and financial statements shall prevail.

SINYI REALTY INC.
**BALANCE SHEETS
DECEMBER 31, 2019 AND 2018
(In Thousands of New Taiwan Dollars)**

ASSETS	2019		2018	
	Amount	%	Amount	%
CURRENT ASSETS				
Cash and cash equivalents (Notes 4 and 6)	\$ 487,041	2	\$ 2,423,870	10
Financial assets at fair value through other comprehensive income - current (Notes 4 and 7)	383,088	2	257,668	1
Notes receivable (Notes 4 and 8)	27,126	-	30,601	-
Trade receivables (Notes 4 and 8)	759,997	3	597,529	3
Trade receivables from related parties (Notes 4 and 28)	153,675	1	132,482	1
Other receivables (Notes 4 and 8)	10,810	-	15,658	-
Other receivables from related parties (Notes 4 and 28)	13,159	-	13,913	-
Current tax assets (Notes 4 and 22)	336	-	38,028	-
Other financial assets - current (Notes 9 and 29)	115,326	-	5,000	-
Other current assets (Note 15)	18,637	-	26,368	-
Total current assets	<u>1,969,195</u>	<u>8</u>	<u>3,541,117</u>	<u>15</u>
NON-CURRENT ASSETS				
Financial assets at fair value through other comprehensive income - non-current (Notes 4 and 7)	95,532	-	88,583	-
Investments accounted for using equity method (Notes 4, 10 and 28)	15,842,676	61	15,227,595	63
Property, plant and equipment (Notes 4, 11 and 29)	2,787,335	11	2,764,481	11
Right-of-use assets (Notes 3, 4 and 12)	2,539,100	10	-	-
Investment properties (Notes 4, 13 and 29)	2,629,342	10	2,590,762	11
Intangible assets (Notes 4 and 14)	36,674	-	42,188	-
Deferred tax assets (Notes 4 and 22)	34,247	-	29,954	-
Refundable deposits	86,965	-	88,926	-
Other non-current assets (Note 15)	3,161	-	2,225	-
Total non-current assets	<u>24,055,032</u>	<u>92</u>	<u>20,834,714</u>	<u>85</u>
TOTAL	<u>\$ 26,024,227</u>	<u>100</u>	<u>\$ 24,375,831</u>	<u>100</u>
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Notes payable	\$ 313	-	\$ 266	-
Other payables (Notes 18 and 28)	1,931,872	7	1,491,246	6
Current tax liabilities (Notes 4 and 22)	122,148	-	263,063	1
Lease liability - current (Notes 3, 4, 12 and 28)	392,330	2	-	-
Current portion of bonds payable (Note 17)	-	-	1,500,000	6
Other current liabilities (Note 18)	165,215	1	134,344	1
Total current liabilities	<u>2,611,878</u>	<u>10</u>	<u>3,388,919</u>	<u>14</u>
NON-CURRENT LIABILITIES				
Bonds payable (Note 17)	5,300,000	20	4,400,000	18
Long-term borrowings (Notes 16 and 29)	4,300,000	17	5,000,000	21
Lease liability - non-current (Notes 3, 4, 12 and 28)	2,157,943	8	-	-
Net defined benefit liabilities - non-current (Notes 4 and 19)	138,850	1	98,111	-
Guarantee deposits received	30,881	-	37,261	-
Other non-current liabilities (Note 18)	606,633	2	452,555	2
Deferred tax liabilities (Notes 4 and 22)	1,672	-	33,905	-
Total non-current liabilities	<u>12,535,979</u>	<u>48</u>	<u>10,021,832</u>	<u>41</u>
Total liabilities	<u>15,147,857</u>	<u>58</u>	<u>13,410,751</u>	<u>55</u>
EQUITY (Note 20)				
Ordinary shares	7,368,465	28	7,368,465	30
Capital surplus	63,896	-	64,528	-
Retained earnings				
Legal reserve	2,224,122	9	2,073,664	9
Special reserve	240,436	1	40,830	-
Unappropriated earnings	1,566,765	6	1,658,029	7
Total retained earnings	<u>4,031,323</u>	<u>16</u>	<u>3,772,523</u>	<u>16</u>
Other equity (Notes 4 and 20)				
Exchange differences on translating the financial statements of foreign operations	(1,196,665)	(4)	(681,439)	(3)
Unrealized gain on investments in equity instruments at fair value through other comprehensive income	609,351	2	441,003	2
Total other equity	<u>(587,314)</u>	<u>(2)</u>	<u>(240,436)</u>	<u>(1)</u>
Total equity	<u>10,876,370</u>	<u>42</u>	<u>10,965,080</u>	<u>45</u>
TOTAL	<u>\$ 26,024,227</u>	<u>100</u>	<u>\$ 24,375,831</u>	<u>100</u>

The accompanying notes are an integral part of the financial statements.

(With Deloitte & Touche auditors' report dated February 27, 2020)

SINYI REALTY INC.

STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2019		2018	
	Amount	%	Amount	%
OPERATING REVENUE				
Service revenue (Note 4)	\$ 9,476,074	100	\$ 7,881,107	100
OPERATING COSTS (Notes 19, 21 and 28)	<u>6,665,257</u>	<u>70</u>	<u>5,639,878</u>	<u>71</u>
GROSS PROFIT	<u>2,810,817</u>	<u>30</u>	<u>2,241,229</u>	<u>29</u>
OPERATING EXPENSES (Notes 19, 21 and 28)				
Management expense	1,085,431	12	915,535	12
Expect credit loss (Note 8)	<u>-</u>	<u>-</u>	<u>2,162</u>	<u>-</u>
Total operating expenses	<u>1,085,431</u>	<u>12</u>	<u>917,697</u>	<u>12</u>
PROFIT FROM OPERATIONS	<u>1,725,386</u>	<u>18</u>	<u>1,323,532</u>	<u>17</u>
NON-OPERATING INCOME AND EXPENSES				
Rental income (Note 28)	99,101	1	102,253	1
Dividend income	9,255	-	8,377	-
Interest income (Note 21)	5,678	-	5,231	-
Other gains and losses (Notes 10, 21 and 28)	30,882	-	40,201	1
Finance costs (Notes 21 and 28)	(141,618)	(1)	(112,072)	(1)
Share of (loss) profit of subsidiaries, associates and joint ventures (Note 4)	<u>(123,060)</u>	<u>(1)</u>	<u>655,197</u>	<u>8</u>
Total non-operating income and expenses	<u>(119,762)</u>	<u>(1)</u>	<u>699,187</u>	<u>9</u>
PROFIT BEFORE INCOME TAX FROM CONTINUING OPERATIONS	1,605,624	17	2,022,719	26
INCOME TAX EXPENSE (Notes 4 and 22)	<u>(342,690)</u>	<u>(4)</u>	<u>(518,132)</u>	<u>(7)</u>
NET PROFIT FOR THE YEAR	<u>1,262,934</u>	<u>13</u>	<u>1,504,587</u>	<u>19</u>
OTHER COMPREHENSIVE INCOME (LOSS)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans (Note 19)	(50,207)	-	(35,957)	-
Unrealized gain on investments in equity instruments at fair value through other comprehensive income	127,869	1	29,850	-

(Continued)

SINYI REALTY INC.

**STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)**

	2019		2018	
	Amount	%	Amount	%
Share of other comprehensive income of subsidiaries, associates and joint ventures accounted for using the equity method	\$ 38,180	-	\$ 4,823	-
Income tax relating to items that will not be reclassified subsequently to profit or loss (Note 22)	10,041	-	11,888	-
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating the financial statements of foreign operations	<u>(515,226)</u>	<u>(5)</u>	<u>(284,634)</u>	<u>(3)</u>
Other comprehensive loss for the year, net of income tax	<u>(389,343)</u>	<u>(4)</u>	<u>(274,030)</u>	<u>(3)</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u><u>\$ 873,591</u></u>	<u><u>9</u></u>	<u><u>\$ 1,230,557</u></u>	<u><u>16</u></u>
EARNINGS PER SHARE (Note 23)				
From continuing operations				
Basic	<u>\$ 1.71</u>		<u>\$ 2.04</u>	
Diluted	<u>\$ 1.71</u>		<u>\$ 2.04</u>	

The accompanying notes are an integral part of the financial statements.

(With Deloitte & Touche auditors' report dated February 27, 2020)

(Concluded)

SINYI REALTY INC.

**STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018
(In Thousands of New Taiwan Dollars)**

	Ordinary Shares	Capital Surplus	Retained Earnings			Exchange Differences on Translating Foreign Operations	Other Equity		Total Equity
			Legal Reserve	Special Reserve	Unappropriated Earnings		Unrealized Gain on Investments in Equity Instruments at Fair Value through Other Comprehensive Income	Unrealized Gain on Available-for-sale Financial Assets	
BALANCE AT JANUARY 1, 2018	\$ 6,515,000	\$ 63,896	\$ 1,793,382	\$ -	\$ 2,967,208	\$ (396,805)	\$ -	\$ 355,975	\$ 11,298,656
Effect of retrospective application and retrospective restatement	-	-	-	-	13,949	-	406,011	(355,975)	63,985
BALANCE AT JANUARY 1, 2018 AS RESTATED	6,515,000	63,896	1,793,382	-	2,981,157	(396,805)	406,011	-	11,362,641
Appropriation of 2017 earnings									
Legal reserve	-	-	280,282	-	(280,282)	-	-	-	-
Special reserve	-	-	-	40,830	(40,830)	-	-	-	-
Cash dividends	-	-	-	-	(1,628,750)	-	-	-	(1,628,750)
Share dividends	853,465	-	-	-	(853,465)	-	-	-	-
Actual disposals of interests in subsidiaries	-	632	-	-	-	-	-	-	632
Net profit for the year ended December 31, 2018	-	-	-	-	1,504,587	-	-	-	1,504,587
Other comprehensive (loss) income for the year ended December 31, 2018, net of income tax	-	-	-	-	(24,388)	(284,634)	34,992	-	(274,030)
Total comprehensive income (loss) for the year ended December 31, 2018	-	-	-	-	1,480,199	(284,634)	34,992	-	1,230,557
BALANCE AT DECEMBER 31, 2018	7,368,465	64,528	2,073,664	40,830	1,658,029	(681,439)	441,003	-	10,965,080
Appropriation of 2018 earnings									
Legal reserve	-	-	150,458	-	(150,458)	-	-	-	-
Special reserve	-	-	-	199,606	(199,606)	-	-	-	-
Cash dividends	-	-	-	-	(957,900)	-	-	-	(957,900)
Actual acquisition of interests in subsidiaries	-	(632)	-	-	(3,769)	-	-	-	(4,401)
Net profit for the year ended December 31, 2019	-	-	-	-	1,262,934	-	-	-	1,262,934
Other comprehensive (loss) income for the year ended December 31, 2019, net of income tax	-	-	-	-	(42,465)	(515,226)	168,348	-	(389,343)
Total comprehensive income (loss) for the year ended December 31, 2019	-	-	-	-	1,220,469	(515,226)	168,348	-	873,591
BALANCE AT DECEMBER 31, 2019	\$ 7,368,465	\$ 63,896	\$ 2,224,122	\$ 240,436	\$ 1,566,765	\$ (1,196,665)	\$ 609,351	\$ -	\$ 10,876,370

The accompanying notes are an integral part of the financial statements.

(With Deloitte & Touche auditors' report dated February 27, 2020)

SINYI REALTY INC.

STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018 (In Thousands of New Taiwan Dollars)

	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 1,605,624	\$ 2,022,719
Adjustments for:		
Expected credit loss recognized on trade receivables	-	2,162
Depreciation expenses	483,685	89,112
Amortization expenses	21,850	26,842
Finances cost	141,618	112,072
Interest income	(5,678)	(5,231)
Dividend income	(9,255)	(8,377)
Share of loss (profit) of subsidiaries, associates and joint ventures	123,060	(655,197)
Loss on disposal of property, plant and equipment	516	1,471
(Loss) gain on disposal of investment properties	(7,961)	3,901
Impairment loss recognized on non-financial assets	29,378	3,103
Changes in operating assets and liabilities		
Notes receivable	3,475	(26,268)
Trade receivables	(162,468)	(75,805)
Trade receivables from related parties	(21,193)	(4,791)
Other receivables	4,376	(6,223)
Other receivables from related parties	754	2,664
Other current assets	7,731	(7,901)
Notes payable	47	200
Other payables	451,072	45,494
Provisions	8,150	1,118
Other current liabilities	23,657	6,527
Other operating liabilities	143,674	131,425
Cash generated from operations	2,842,112	1,659,017
Interest received	6,150	4,722
Interest paid	(152,064)	(97,122)
Income tax paid	(472,398)	(358,021)
Net cash generated from operating activities	<u>2,223,800</u>	<u>1,208,596</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets through other comprehensive income	(4,500)	(48,774)
Return of capital from equity method investee	31,070	-
Payments for property, plant and equipment	(90,086)	(59,720)
Proceeds from disposal of property, plant and equipment	-	6
Increase in refundable deposits	(5,094)	(2,212)
Payments for intangible assets	(16,336)	(18,527)
Payments for investment properties	(94,324)	(28,215)
Proceeds from disposal of investment properties	35,350	8,792
Increase in other financial assets	(110,326)	-
(Increase) decrease in other non-current assets	(936)	1,359
Dividends received	152,552	1,126,188
Net cash (used in) generated from investing activities	<u>(102,630)</u>	<u>978,897</u>

(Continued)

SINYI REALTY INC.

**STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018
(In Thousands of New Taiwan Dollars)**

	2019	2018
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayments of short-term borrowings	\$ -	\$ (800,000)
Proceeds from bonds payable	900,000	4,400,000
Repayments of bonds payable	(1,500,000)	(1,500,000)
Proceeds from long-term borrowings	16,600,000	15,130,000
Repayments of long-term borrowings	(17,300,000)	(14,380,000)
Refund of guarantee deposits received	(6,380)	(999)
Repayment of the principal portion of lease liabilities	(389,251)	-
Dividends paid to owners of the Company	(957,900)	(1,628,750)
Acquisition of partial interests in subsidiaries	(1,404,468)	(2,543,431)
Net cash inflow on disposal of subsidiaries	<u>-</u>	<u>5,000</u>
Net cash used in financing activities	<u>(4,057,999)</u>	<u>(1,318,180)</u>
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(1,936,829)	869,313
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>2,423,870</u>	<u>1,554,557</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 487,041</u>	<u>\$ 2,423,870</u>

The accompanying notes are an integral part of the financial statements.

(With Deloitte & Touche auditors' report dated February 27, 2020)

(Concluded)

SINYI REALTY INC.

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2019 AND 2018

(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

1. GENERAL INFORMATION

Sinyi Realty Inc. (the “Company”) was incorporated in January 1987. The Company engages in the operation of a full-service real-estate brokerage business. The head office is situated in Taipei City, Taiwan, the Republic of China (ROC). The Company continues to expand by establishing branches in Taiwan and focuses heavily on promoting its brand value.

In August 1999, the Securities and Futures Bureau (SFB) approved the trading of the Company’s ordinary shares on the Taipei Exchange (TPEX) in the ROC. In September 2001, SFB approved the listing of the Company’s shares on the Taiwan Stock Exchange (TWSE).

The financial statements are presented in New Taiwan dollars, the functional currency of the Company.

2. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved by the Company’s board of directors and authorized for issue on February 27, 2020.

3. APPLICATION OF NEW, AMENDED AND REVISED STANDARDS AND INTERPRETATIONS

- a. Initial application of the amendments to the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), Interpretations of IFRS (IFRIC), and Interpretations of IAS (SIC) (collectively, the “IFRSs”) endorsed and issued into effect by the Financial Supervisory Commission (FSC).

Except for the following, the initial application of the amendments to the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the IFRSs endorsed and issued into effect by the FSC did not have any material impact on the Company’s accounting policies:

- IFRS 16 “Leases”

IFRS 16 provides a comprehensive model for the identification of lease arrangements and their treatment in the financial statements of both the lessee and the lessor. It supersedes IAS 17 “Leases”, IFRIC 4 “Determining whether an Arrangement contains a Lease”, and a number of related interpretations. Refer to Note 4 for information relating to the relevant accounting policies.

Definition of a lease

The Company elects to apply the guidance of IFRS 16 in determining whether contracts are, or contain, a lease only to contracts entered into (or changed) on or after January 1, 2019. Contracts identified as containing a lease under IAS 17 and IFRIC 4 are not reassessed and are accounted for in accordance with the transitional provisions under IFRS 16.

The Company as lessee

The Company recognizes right-of-use assets and lease liabilities for all leases on the balance sheets except for those whose payments under low-value asset and short-term leases are recognized as expenses on a straight-line basis. On the statements of comprehensive income, the Company presents the depreciation expense charged on right-of-use assets separately from the interest expense accrued on lease liabilities; interest is computed using the effective interest method. On the statements of cash flows, cash payments for the principal portion of lease liabilities are classified within financing activities; cash payments for the interest portion are classified within operating activities. Prior to the application of IFRS 16, payments under operating lease contracts, were recognized as expenses on a straight-line basis. Cash flows for operating leases were classified within operating activities on the statements of cash flows. Leased assets and finance lease payables were recognized on the balance sheets for contracts classified as finance leases.

The Company elects to apply IFRS 16 retrospectively with the cumulative effect of the initial application of this standard recognized in retained earnings on January 1, 2019. Comparative information is not restated.

Lease liabilities were recognized on January 1, 2019 for leases previously classified as operating leases under IAS 17. Lease liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate on January 1, 2019. Right-of-use assets are measured at an amount equal to the lease liabilities. The Company applies IAS 36 to all right-of-use assets.

The Company also applies the following practical expedients:

- 1) The Company applies a single discount rate to a portfolio of leases with reasonably similar characteristics to measure lease liabilities.
- 2) The Company accounts for those leases for which the lease term ends on or before December 31, 2019 as short-term leases.
- 3) The Company excludes initial direct costs from the measurement of right-of-use assets on January 1, 2019.
- 4) The Company uses hindsight, such as in determining lease terms, to measure lease liabilities.

The lessee's weighted average incremental borrowing rate applied to lease liabilities recognized on January 1, 2019 is 1.29%. The difference between the lease liabilities recognized and disclosed under IAS 17 on December 31, 2018 is explained as follows:

The future minimum lease payments of non-cancellable operating lease commitments on December 31, 2018	\$ 923,805
Less: Recognition exemption for short-term leases and low-value assets	<u>(8,580)</u>
Undiscounted amounts on January 1, 2019	<u>\$ 915,225</u>
Discounted amounts using the incremental borrowing rate on January 1, 2019	\$ 891,070
Add: Adjustments as a result of a different treatment of extension and termination options	1,630,432
Less: Adjustments relating to reclassification of refundable deposits	<u>(5,740)</u>
Lease liabilities recognized on January 1, 2019	<u>\$ 2,515,762</u>

The Company as lessor

The Company does not make any adjustments for leases in which it is a lessor, and it accounts for those leases with the application of IFRS 16 starting from January 1, 2019.

	As Originally Stated on January 1, 2019	Adjustments Arising from Initial Application	Restated on January 1, 2019
Right-of-use assets	\$ -	\$ 2,521,502	\$ 2,521,502
Refundable deposits	<u>88,926</u>	<u>(5,740)</u>	<u>83,186</u>
	<u>\$ 88,926</u>	<u>\$ 2,515,762</u>	<u>\$ 2,604,688</u>
Lease liabilities - current	\$ -	\$ 393,261	\$ 393,261
Lease liabilities - non-current	<u>-</u>	<u>2,122,501</u>	<u>2,122,501</u>
	<u>\$ -</u>	<u>\$ 2,515,762</u>	<u>\$ 2,515,762</u>

- b. The IFRSs endorsed by the FSC for application starting from 2020

New IFRSs	Effective Date Announced by IASB
Amendments to IFRS 3 “Definition of a Business”	January 1, 2020 (Note 1)
Amendments to IFRS 9, IAS 39 and IFRS 7 “Interest Rate Benchmark Reform”	January 1, 2020 (Note 2)
Amendments to IAS 1 and IAS 8 “Definition of Material”	January 1, 2020 (Note 3)

Note 1: The Company shall apply these amendments to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after January 1, 2020 and to asset acquisitions that occur on or after the beginning of that period.

Note 2: The Company shall apply these amendments retrospectively for annual reporting periods beginning on or after January 1, 2020.

Note 3: The Company shall apply these amendments prospectively for annual reporting periods beginning on or after January 1, 2020.

As of the date the financial statements were authorized for issue, the Company assess the possible impact that the application of above standards and interpretations don't have impacts on the Company's financial position and financial performance.

- c. New IFRSs in issue but not yet endorsed and issued into effect by the FSC

New IFRSs	Effective Date Announced by IASB (Note)
Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”	To be determined by IASB
IFRS 17 “Insurance Contracts”	January 1, 2021
Amendments to IAS 1 “Classification of Liabilities as Current or Non-current”	January 1, 2022

Note: Unless stated otherwise, the above New IFRSs are effective for annual reporting periods beginning on or after their respective effective dates.

As of the date the financial statements were authorized for issue, the Company is continuously assessing the possible impact that the application of above standards and interpretations will have on the Company's financial position and financial performance and will disclose the relevant impact when the assessment is completed.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Statement of compliance

The financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

b. Basis of preparation

The financial statements have been prepared on the historical cost basis except for financial instruments which are measured at fair value, and net defined benefit liabilities which are measured at the present value of the defined benefit obligation less the fair value of plan assets.

The fair value measurements, which are grouped into Levels 1 to 3 based on the degree to which the fair value measurement inputs are observable and based on the significance of the inputs to the fair value measurement in its entirety, are described as follows:

- 1) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities;
- 2) Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
- 3) Level 3 inputs are unobservable inputs for the asset or liability.

When preparing its financial statements, the Company used equity method to account for its investment in subsidiaries and associates. In order for the amounts of the net profit for the year, other comprehensive income for the year and total equity in the financial statements to be the same with the amounts attributable to the owners of the Company in its financial statements, adjustments arising from the differences in accounting treatment are made to investments accounted for using the equity method, share of profit or loss of subsidiaries, associates and joint ventures as appropriate, in the financial statements.

c. Classification of current and non-current assets and liabilities

Current assets include:

- Assets held primarily for the purpose of trading;
- Assets expected to be realized within 12 months after the reporting period; and
- Cash and cash equivalents unless the asset is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

Current liabilities include:

- Liabilities held primarily for the purpose of trading;
- Liabilities due to be settled within 12 months after the reporting period, even if an agreement to refinance, or to reschedule payments, on a long-term basis is completed after the reporting period and before the financial statements are authorized for issue; and
- Liabilities for which the Company does not have an unconditional right to defer settlement for at least 12 months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Assets and liabilities that are not classified as current are classified as non-current.

d. Business combinations

Acquisitions of businesses are accounted for using the acquisition method. Acquisition-related costs are generally recognized in profit or loss as they are incurred.

Goodwill is measured as the excess of the sum of the consideration transferred and the fair value of the acquirer's previously held equity interests in the acquiree over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

e. Foreign currencies

In preparing the financial statements of the Company, transactions in currencies other than the Company's functional currency (i.e., foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions.

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date.

Exchange differences on monetary items arising from settlement or translation are recognized in profit or loss in the period in which they arise.

Non-monetary items measured at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Exchange differences arising from the retranslation of non-monetary items are included in profit or loss for the year except for exchange differences arising from the retranslation of non-monetary items in respect of which gains and losses are recognized directly in other comprehensive income, in which case, the exchange differences are also recognized directly in other comprehensive income.

Non-monetary items that are measured at historical cost in a foreign currency are not retranslated.

For the purpose of presenting the financial statements, the assets and liabilities of the Company's foreign operations (including the subsidiaries and associates operating in other countries or currencies used different from the Company) are translated into the New Taiwan dollars using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the year. Exchange differences are recognized in other comprehensive income.

On the disposal of a foreign operation (i.e., a disposal of the Company's entire interest in a foreign operation, or a disposal involving the loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an interest in a joint arrangement or an associate that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

In relation to a partial disposal of a subsidiary that does not result in the Company losing control over the subsidiary, the proportionate share of accumulated exchange differences is included in the calculation of equity transactions but is not recognized in profit or loss. For all other partial disposals, the proportionate share of the accumulated exchange differences recognized in other comprehensive income is reclassified to profit or loss.

f. Investments accounted for using equity method

Investments in subsidiaries and associates are accounted for by the equity method.

1) Investment in subsidiaries

Subsidiaries are the entities controlled by the Company.

Under the equity method, the investment is initially recognized at cost and the carrying amount is increased or decreased to recognize the Company's share of the profit or loss and other comprehensive income of the subsidiary after the date of acquisition. Besides, the Company also recognizes the Company's share of the change in other equity of the subsidiary.

Changes in the Company's ownership interests in subsidiaries that do not result in the Company's loss of control over the subsidiaries are accounted for as equity transactions. Any difference between the carrying amount of the investment and the fair value of the consideration paid or received is recognized directly in equity.

When the Company's share of losses of a subsidiary equals or exceeds its interest in that subsidiary (which includes any carrying amount of the investment in subsidiary accounted for using the equity method and long-term interests that, in substance, form part of the Company's net investment in the subsidiary), the Company continues to recognize its share of further losses.

The acquisition cost in excess of the acquisition-date fair value of the identifiable net assets acquired is recognized as goodwill. Goodwill is not amortized. The acquisition-date fair value of the net identifiable assets acquired in excess of the acquisition cost is recognized immediately in profit or loss.

The Company assesses its investment for any impairment by comparing the carrying amount with the estimated recoverable amount as assessed based on the financial statements of the invested company as a whole. Impairment loss is recognized when the carrying amount exceeds the recoverable amount. If the recoverable amount of the investment subsequently increases, the Company recognizes a reversal of the impairment loss; the adjusted post-reversal carrying amount should not exceed the carrying amount that would have been recognized (net of amortization or depreciation) had no impairment loss been recognized in prior years. An impairment loss recognized on goodwill cannot be reversed in a subsequent period.

When the Company ceases to have control over a subsidiary, any retained investment is measured at fair value at that date and the difference between the previous carrying amount of the subsidiary attributable to the retained interest and its fair value is included in the determination of the gain or loss. Furthermore, the Company accounts for all amounts previously recognized in other comprehensive income in relation to that subsidiary on the same basis as would be required if the Company had directly disposed of the related assets or liabilities.

Profits and losses from downstream transactions with a subsidiary are eliminated in full. Profits and losses from upstream transactions with a subsidiary and sidestream transactions between subsidiaries are recognized in the Company's financial statements only to the extent of interests in the subsidiary that are not related to the Company.

2) Investment in associates

An associate is an entity over which the Company has significant influence and that is not a subsidiary.

The Company uses the equity method to account for its investments in associates.

Under the equity method, investments in an associate are initially recognized at cost and adjusted thereafter to recognize the Company's share of the profit or loss and other comprehensive income of the associate. The Company also recognizes the changes in the Company's share of equity of associates attributable to the Company.

Any excess of the cost of acquisition over the Company's share of the net fair value of the identifiable assets and liabilities of an associate at the date of acquisition is recognized as goodwill, which is included within the carrying amount of the investment and is not amortized. Any excess of the Company's share of the net fair value of the identifiable assets and liabilities over the cost of acquisition, after reassessment, is recognized immediately in profit or loss.

When the Company subscribes for additional new shares of the associate at a percentage different from its existing ownership percentage, the resulting carrying amount of the investment differs from the amount of the Company's proportionate interest in the associate. The Company's records such a difference as an adjustment to investments with the corresponding amount charged or credited to capital surplus. If the Company's ownership interest is reduced due to the additional subscription of the new shares of associate, the proportionate amount of the gains or losses previously recognized in other comprehensive income in relation to that associate is reclassified to profit or loss on the same basis as would be required if the investee had directly disposed of the related assets or liabilities. When the adjustment should be debited to capital surplus, but the capital surplus recognized from investments accounted for using equity method is insufficient, the shortage is debited to retained earnings.

g. Property, plant and equipment

Property, plant and equipment are stated at cost, less recognized accumulated depreciation and accumulated impairment loss.

Property, plant and equipment in the course of construction are measured at cost, less any recognized impairment loss. Cost includes professional fees and borrowing costs eligible for capitalization. Such assets are depreciated and classified to the appropriate categories of property, plant and equipment when completed and ready for intended use.

Depreciation of property, plant and equipment is recognized using the straight-line method. Each significant part is depreciated separately. If the lease term is shorter than its useful life, assets are depreciated over the lease term. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period with the effect of any changes in the estimates accounted for on a prospective basis.

On derecognition of an item of property, plant and equipment, the difference between the sales proceeds and the carrying amount of the asset is recognized in profit or loss.

h. Investment properties

Investment properties are properties held to earn rental and/or for capital appreciation. Investment properties also include land held for a currently undetermined future use.

Investment properties are initially measured at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at cost less accumulated depreciation and accumulated impairment loss. Depreciation is recognized using the straight-line method.

On derecognition of an investment property, the difference between the net disposal proceeds and the carrying amount of the asset is included in profit or loss.

i. Goodwill

Goodwill arising from the acquisition of a business is measured at cost as established at the date of acquisition of the business less accumulated impairment loss.

For the purposes of impairment testing, goodwill is allocated to each of the Company's cash-generating units or groups of cash-generating units (referred to as "cash-generating" units) that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently, when there is an indication that the unit may be impaired, by comparing its carrying amount, including the allocated goodwill, with its recoverable amount. If the goodwill allocated to a cash-generating unit was acquired in a business combination during the current annual period, that unit shall be tested for impairment before the end of the current annual period. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss is recognized directly in profit or loss. Any impairment loss recognized on goodwill is not reversed in subsequent periods.

If goodwill has been allocated to a cash-generating unit and the Company disposes of an operation within that unit, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal.

j. Intangible assets

1) Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are initially measured at cost and subsequently measured at cost less accumulated amortization and accumulated impairment loss. Amortization is recognized on a straight-line basis. The estimated useful life, residual value, and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimates accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are measured at cost less accumulated impairment loss.

2) Intangible assets acquired in a business combination

Intangible assets acquired in a business combination and recognized separately from goodwill are initially recognized at their fair value at the acquisition date (which is regarded as their cost). Subsequent to initial recognition, they are measured on the same basis as intangible assets that are acquired separately.

3) Derecognition of intangible assets

On derecognition of an intangible asset, the difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss.

k. Assets related to contract costs

When a sales contract is obtained, commission paid to employees who obtained from the sale of property and selling service fees paid to agents under exclusive sale agreements are recognized as assets (incremental cost of obtaining a contract) to the extent that the costs are expected to be recovered. However, the Company elects not to capitalize the incremental costs of obtaining a contract if the amortization period of the related asset, which the Company otherwise would have recognized, is expected to be one year or less.

i. Impairment of tangible and intangible assets other than goodwill and assets related to contract costs

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets, excluding goodwill, to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Corporate assets are allocated to the individual cash-generating units on a reasonable and consistent basis of allocation.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

The recoverable amount is the higher of fair value less costs to sell and value in use. If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount, with the resulting impairment loss recognized in profit or loss.

Before the Company recognizes an impairment loss from assets related to contract costs, any impairment loss on property, plant and equipment and intangible assets related to the contract applicable under IFRS 15 shall be recognized in accordance with applicable standards. Then, impairment loss from the assets related to the contract costs is recognized to the extent that the carrying amount of the assets exceeds the remaining amount of consideration that the Company expects to receive in exchange for related goods or services less the costs which relate directly to providing those goods or services and which have not been recognized as expenses. The assets related to the contract costs are then included in the carrying amount of the cash-generating unit to which they belong for the purpose of evaluating impairment of that cash-generating unit.

When an impairment loss is subsequently reversed, the carrying amount of the asset, cash-generating unit, or assets related to contract cost is increased to the revised estimate of its recoverable amount, but only to the extent of the carrying amount that would have been determined had no impairment loss been recognized for on the asset or cash-generating unit in prior years. A reversal of an impairment loss is recognized in profit or loss.

m. Financial instruments

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issuance of financial assets and financial liabilities (other than financial assets and financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognized immediately in profit or loss.

1) Financial assets

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis.

a) Measurement category

Financial assets are classified into the following categories: Financial assets at amortized cost and investments in equity instruments at FVTOCI.

i. Financial assets at amortized cost

Financial assets that meet the following conditions are subsequently measured at amortized cost:

- i) The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- ii) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, financial assets at amortized cost, including cash and cash equivalents, trade receivables (including related parties) at amortized cost, other receivables (including related parties), other financial assets-current and refundable deposits, are measured at amortized cost, which equals the gross carrying amount determined using the effective interest method less any impairment loss. Exchange differences are recognized in profit or loss.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of such a financial asset, except for:

- i) Purchased or originated credit-impaired financial assets, for which interest income is calculated by applying the credit-adjusted effective interest rate to the amortized cost of such financial assets; and
- ii) Financial assets that are not credit impaired on purchase or origination but have subsequently become credit impaired, for which interest income is calculated by applying the effective interest rate to the amortized cost of such financial assets in subsequent reporting periods.

Cash equivalents include time deposits with original maturities within 3 months from the date of acquisition, which are highly liquid, readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These cash equivalents are held for the purpose of meeting short-term cash commitments.

ii. Investments in equity instruments at FVTOCI

On initial recognition, the Company may make an irrevocable election to designate investments in equity instruments as at FVTOCI. Designation as at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognized by an acquirer in a business combination.

Investments in equity instruments at FVTOCI are subsequently measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in other equity. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments; instead, it will be transferred to retained earnings.

Dividends on these investments in equity instruments are recognized in profit or loss when the Company's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment.

b) Impairment of financial assets

The Company recognizes a loss allowance for expected credit losses on financial assets at amortized cost (including trade receivables).

The Company always recognizes lifetime expected credit loss (ECL) for trade receivables. For all other financial instruments, the Company recognizes lifetime ECL when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

Expected credit losses reflect the weighted average of credit losses with the respective risks of default occurring as the weights. Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

The Company recognizes an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

c) Derecognition of financial assets

The Company derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset at amortized cost in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss. However, on derecognition of an investment in an equity instrument at FVTOCI, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss, and the cumulative gain or loss which had been recognized in other comprehensive income is transferred directly to retained earnings, without recycling through profit or loss.

2) Financial liabilities

a) Subsequent measurement

All financial liabilities are measured at amortized cost using the effective interest method.

b) Derecognition of financial liabilities

The difference between the carrying amount of the financial liability derecognized and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

n. Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

o. Revenue recognition

The Company identifies the contract with the customers, allocates the transaction price to the performance obligations, and recognizes revenue when performance obligations are satisfied.

Revenue from rendering of services

Revenue from rendering of services comes from real-estate brokerage business and will be recognized when services provided are completed.

p. Leasing

2019

At the inception of a contract, the Company assesses whether the contract is, or contains, a lease.

1) The Company as lessor

Leases are classified as finance leases whenever the terms of a lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Under finance leases, lease payments (less any lease incentives payable) from operating leases are recognized as income on a straight-line over the terms of the relevant leases. Initial direct costs incurred in obtaining operating leases are added to the carrying amounts of the underlying assets and recognized as expenses on a straight-line basis over the lease terms.

When a lease includes both land and building elements, the Company assesses the classification of each element separately as a finance or an operating lease based on the assessment as to whether substantially all the risks and rewards incidental to ownership of each element have been transferred to the lessee. The lease payments are allocated between the land and the building elements in proportion to the relative fair values of the leasehold interests in the land element and building element of the lease at the inception of a contract. If the allocation of the lease payments can be made reliably, each element is accounted for separately in accordance with its lease classification. When the lease payments cannot be allocated reliably between the land and building elements, the entire lease is generally classified as a finance lease unless it is clear that both elements are operating leases; in which case, the entire lease is classified as an operating lease.

2) The Company as lessee

The Company recognizes right-of-use assets and lease liabilities for all leases at the commencement date of a lease, except for short-term leases and low-value asset leases accounted for applying a recognition exemption where lease payments are recognized as expenses on a straight-line basis over the lease terms.

Right-of-use assets are initially measured at cost, which comprises the initial measurement of lease liabilities adjusted for lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs needed to restore the underlying assets, and less any lease incentives received. Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses and adjusted for any remeasurement of the lease liabilities. Right-of-use assets are presented on a separate line in the balance sheets.

Right-of-use assets are depreciated using the straight-line method from the commencement dates to the earlier of the end of the useful lives of the right-of-use assets or the end of the lease terms.

Lease liabilities are initially measured at the present value of the lease payments, which comprise fixed payments and in-substance fixed payments. The lease payments are discounted using the interest rate implicit in a lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses the lessee's incremental borrowing rate.

Subsequently, lease liabilities are measured at amortized cost using the effective interest method, with interest expense recognized over the lease terms. When there is a change in a lease term, or a change in the amounts expected to be payable under a residual value guarantee, the Company remeasures the lease liabilities with a corresponding adjustment to the right-of-use-assets. However, if the carrying amount of the right-of-use assets is reduced to zero, any remaining amount of the remeasurement is recognized in profit or loss. Lease liabilities are presented on a separate line in the balance sheets.

2018

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

All of the Company's lease contracts are operating leases. Rental income and expense from operating leases are recognized as rental revenue and operating expense, respectively, on a straight-line basis over the lease term.

q. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

Other than stated above, all other borrowing costs are recognized in profit or loss in the period in which they are incurred.

r. Employee benefits

1) Short-term employee benefits

Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related services.

2) Retirement benefits

Payments to defined contribution retirement benefit plans are recognized as an expense when employees have rendered services entitling them to the contributions.

Defined benefit costs (including service cost, net interest and remeasurement) under the defined benefit retirement benefit plans are determined using the projected unit credit method. Service cost and net interest on the net defined benefit liability (asset) are recognized as employee benefits expense in the period they occur. Remeasurement (comprising actuarial gains and losses, effect of changes to the asset ceiling and return on plan assets excluding interest) is recognized in other comprehensive income in the period in which they occur. Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss.

Net defined benefit liability (asset) represents the actual deficit (surplus) in the Company's defined benefit plan. Any surplus resulting from this calculation is limited to the present value of any refunds from the plans or reductions in future contributions to the plans.

3) Other long-term employee benefits

Other long-term employee benefits are accounted for in the same way as the accounting required for defined benefit plan except that remeasurement is recognized in profit or loss.

s. Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

1) Current tax

According to the Income Tax Law, an additional tax on unappropriated earnings is provided for as income tax in the year the shareholders approve to retain the earnings.

Adjustments of prior years' tax liabilities are added to or deducted from the current year's tax provision.

2) Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences, unused loss carryforwards and unused tax credits for purchases of machinery, equipment and technology, research and development expenditures, and personnel training expenditures to the extent that it is

probable that taxable profits will be available against which those deductible temporary differences can be utilized.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the assets to be recovered. A previously unrecognized deferred tax asset is also reviewed at the end of each reporting period and recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

3) Current and deferred tax for the year

Current and deferred taxes are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Company's accounting policies, management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Impairment of tangible and intangible assets other than goodwill

The Company measures the useful life of its individual assets and the probable future economic benefits in a specific asset group, which depends on subjective judgment, asset characteristics and industry, during the impairment testing process. Any change in accounting estimates due to economic circumstances and business strategies might cause material impairment in the future.

6. CASH AND CASH EQUIVALENTS

	<u>December 31</u>	
	<u>2019</u>	<u>2018</u>
Cash on hand	\$ 12,302	\$ 22,463
Checking accounts and demand deposits	474,739	1,685,043
Cash equivalents		
Time deposits with original maturities less than three months	<u>-</u>	<u>716,364</u>
	<u>\$ 487,041</u>	<u>\$ 2,423,870</u>

The interest rates of cash in bank at the end of the reporting period were as follows:

	<u>December 31</u>	
	<u>2019</u>	<u>2018</u>
Interest rates range	0%-0.32%	0%-3.2%

7. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

Investment in Equity Instruments at FVTOCI

	<u>December 31</u>	
	<u>2019</u>	<u>2018</u>
<u>Current</u>		
Domestic investments	<u>\$ 383,088</u>	<u>\$ 257,668</u>
Listed shares		
<u>Non-current</u>		
Domestic investments		
Unlisted shares	<u>\$ 95,532</u>	<u>\$ 88,583</u>

These investments in equity instruments are not held for trading. Instead, they are held for medium to long-term strategic purposes. Accordingly, the management elected to designate these investments in equity instruments as at FVTOCI as the management believes that recognizing short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Company's strategy of holding these investments for long-term purposes.

8. NOTES RECEIVABLE, TRADE RECEIVABLES AND OTHER RECEIVABLES

	<u>December 31</u>	
	<u>2019</u>	<u>2018</u>
<u>Notes receivable</u>		
Operating-gross carrying amount	\$ 27,126	\$ 30,601
<u>Trade receivables</u>		
At amortized cost		
Gross carrying amount	\$ 759,997	\$ 597,529
Less: Allowance for impairment loss	-	-
	<u>\$ 759,997</u>	<u>\$ 597,529</u>
<u>Other receivables</u>		
Interest receivables	\$ 39	\$ 511
Others	16,039	20,415
Less: Allowance for impairment loss	<u>(5,268)</u>	<u>(5,268)</u>
	<u>\$ 10,810</u>	<u>\$ 15,658</u>

a. Trade receivables

The average credit period for rendering of services was 30 to 60 days. No interest was charged on trade receivables. The provision for loss of allowance of trade receivables from real estate brokerage service revenue was estimated based on historical experience. Except for collections from real estate agent service rendered to individuals, the Company adopted a policy of using other publicly available financial information or its own trading records to rate its major customers and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The Company's exposure and the credit conditions of its counterparties are continuously monitored. Since the Company collected the receivables for providing real estate agent services from clients under escrow custody, the uncollectible risk shall be insignificant.

The Company applies the simplified approach to providing for expected credit losses prescribed by IFRS 9, which permits the use of lifetime expected loss provision for all trade receivables. The expected credit losses on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of economic conditions at the reporting date. As the Company's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished according to the Company's different customer base.

The Company writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery. For trade receivables that have been written off, the Company continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognized in profit or loss.

The following table details the loss allowance of trade receivables based on the Company's provision matrix.

December 31, 2019

	Less than 60 Days	61 to 90 Days	91 to 180 Days	181 to 360 Days	Over 361 Days	Total
Gross carrying amount	\$ 658,528	\$ 63,018	\$ 51,031	\$ 10,600	\$ 5,217	\$ 788,394
Refund liability (Note)	<u>(37,592)</u>	<u>(3,757)</u>	<u>(2,097)</u>	<u>(941)</u>	<u>(1,271)</u>	<u>(45,658)</u>
Amortized cost	<u>\$ 620,936</u>	<u>\$ 59,261</u>	<u>\$ 48,934</u>	<u>\$ 9,659</u>	<u>\$ 3,946</u>	<u>\$ 742,736</u>

December 31, 2018

	Less than 60 Days	61 to 90 Days	91 to 180 Days	181 to 360 Days	Over 361 Days	Total
Gross carrying amount	\$ 523,008	\$ 60,036	\$ 31,713	\$ 8,620	\$ 5,088	\$ 628,465
Refund liability (Note)	<u>(31,369)</u>	<u>(3,265)</u>	<u>(1,891)</u>	<u>(648)</u>	<u>(335)</u>	<u>(37,508)</u>
Amortized cost	<u>\$ 491,639</u>	<u>\$ 56,771</u>	<u>\$ 29,822</u>	<u>\$ 7,972</u>	<u>\$ 4,753</u>	<u>\$ 590,957</u>

Note: The refund liability were recognized under other current liabilities and other liabilities.

The movements of the loss allowance of trade receivables were as follows:

2019: No change.

	2018	
	Trade Receivables	Other Receivables
Balance at January 1, 2018 per IAS 39	\$ -	\$ 4,165
Adjustment on initial application of IFRS 9	<u>-</u>	<u>-</u>
Balance at January 1, 2018 per IFRS 9	-	4,165
Add: Net remeasurement of loss allowance	-	2,162
Less: Amounts written off	<u>-</u>	<u>(1,059)</u>
Balance at December 31, 2018	<u>\$ -</u>	<u>\$ 5,268</u>

b. Other receivables

Other receivables were the payment on behalf of others and rental receivable.

9. OTHER FINANCIAL ASSETS - CURRENT

	December 31	
	2019	2018
Restricted assets - current	<u>\$ 115,326</u>	<u>\$ 5,000</u>

Restricted assets - current are mainly operating guarantee for real-estate brokerage and restricted bank deposits. Refer to Note 29.

10. INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD

	December 31	
	2019	2018
Investments in subsidiaries	\$ 15,810,776	\$ 15,200,041
Investments in associates	<u>31,900</u>	<u>27,554</u>
	<u>\$ 15,842,676</u>	<u>\$ 15,227,595</u>

a. Investments in subsidiaries

	December 31	
	2019	2018
Sinyi International Limited	\$ 11,241,168	\$ 11,603,112
Sinyi Limited	1,377,377	1,400,416
Sinyi Development Inc.	1,800,618	1,953,973
Sinyi Global Asset Management Co., Ltd.	86,406	91,740
Heng-Yi Intelligent Technology Inc.	3,569	5,083
Jui-Inn Consultants Co., Ltd.	1,068	1,148
Sinyi Culture Publishing Inc.	2,205	2,012
An-Sin Real Estate Management Ltd.	116,202	101,271
Yowoo Technology Inc.	25,700	13,350
Sin Chiun Holding Sdn. Bhd.	1,152,946	17,616
Sinyi Real Estate Consulting Limited	<u>3,517</u>	<u>10,320</u>
	<u>\$ 15,810,776</u>	<u>\$ 15,200,041</u>

At the end of the reporting period, the proportion of ownership and voting rights in subsidiaries held by the Company were as follows:

Company Name	December 31	
	2019	2018
Sinyi International Limited	100%	100%
Sinyi Limited	100%	100%
Sinyi Development Inc.	100%	100%
Sinyi Global Asset Management Co., Ltd.	100%	100%
Heng-Yi Intelligent Technology Inc.	75%	75%
Jui-Inn Consultants Co., Ltd.	100%	100%
Sinyi Culture Publishing Inc.	99%	99%
An-Sin Real Estate Management Ltd.	51%	51%
Yowoo Technology Inc.	100%	100%
Sin Chiun Holding Sdn. Bhd.	100%	100%
Sinyi Real Estate Consulting Limited	100%	100%

Refer to Note 32 for the details of subsidiaries indirectly held by the Company.

Refer to Note 12 to the consolidated financial statements for the year ended December 31, 2019 for changes of the proportion of ownership and voting rights in subsidiaries held by the Company.

The Company recognized a goodwill impairment loss of \$10,513 thousand for the year ended December 31, 2019. Refer to Note 21 for the details.

The investments in subsidiaries accounted for by the equity method and the share of profit or loss and other comprehensive income of those investments for the years ended December 31, 2019 and 2018 were based on the subsidiaries' financial statements audited by auditors for the same years.

b. Investments in associates

	December 31	
	2019	2018
Associates that are not individually material		
Sinyi Interior Design Co., Ltd.	\$ 15,774	\$ 12,870
Rakuya International Info. Co., Ltd.	<u>16,126</u>	<u>14,684</u>
	<u>\$ 31,900</u>	<u>\$ 27,554</u>

As of the end of the reporting period, the proportion of ownership and voting rights in associates held by the Company were as follows:

Name of Associate	December 31	
	2019	2018
Sinyi Interior Design Co., Ltd.	19%	19%
Rakuya International Info. Co., Ltd.	23%	23%

The summarized financial information in respect of the Company's associates that are not individually material is set out below.

	For the Year Ended December 31	
	2019	2018
The Company's shares		
Net income (loss)for continuing operations	\$ 1,525	\$ (992)
Other comprehensive income (loss) income	<u>3,378</u>	<u>(309)</u>
Total comprehensive income (loss) for the year	<u>\$ 4,903</u>	<u>\$ (1,301)</u>

The Company's ownership in Sinyi Interior Design Co., Ltd. is less than 20%. But after evaluating that the Company has a significant impact on the Company, the equity method is adopted.

The investments accounted for by the equity method and the share of profit or loss and other comprehensive income of the investment for the years ended December 31, 2019 and 2018 were based on unaudited financial statements. The Company's management believes the unaudited financial statements of investees do not have material impact on the equity method accounting or the calculation of the share of profit or loss and other comprehensive income.

11. PROPERTY, PLANT AND EQUIPMENT

	Freehold Land	Buildings	Transportation Equipment	Office Equipment	Leased Assets	Leasehold Improvements	Other Equipment	Construction in Progress and Prepayments for Equipment	Total
<u>Cost</u>									
Balance at January 1, 2019	\$ 2,374,365	\$ 372,125	\$ 3,858	\$ 306,594	\$ 4,671	\$ 444,688	\$ 87,301	\$ -	\$ 3,593,602
Additions	-	-	-	32,070	-	50,148	1,297	6,571	90,086
Disposals	-	-	-	(3,819)	(4,671)	(13,457)	(30)	-	(21,977)
Balance at December 31, 2019	<u>\$ 2,374,365</u>	<u>\$ 372,125</u>	<u>\$ 3,858</u>	<u>\$ 334,845</u>	<u>\$ -</u>	<u>\$ 481,379</u>	<u>\$ 88,568</u>	<u>\$ 6,571</u>	<u>\$ 3,661,711</u>
<u>Accumulated depreciation</u>									
Balance at January 1, 2019	\$ -	\$ 115,484	\$ 1,499	\$ 257,231	\$ 4,671	\$ 374,630	\$ 75,606	\$ -	\$ 829,121
Depreciation expense	-	9,507	559	20,361	-	31,426	4,863	-	66,716
Disposals	-	-	-	(3,775)	(4,671)	(12,993)	(22)	-	(21,461)
Balance at December 31, 2019	<u>\$ -</u>	<u>\$ 124,991</u>	<u>\$ 2,058</u>	<u>\$ 273,817</u>	<u>\$ -</u>	<u>\$ 393,063</u>	<u>\$ 80,447</u>	<u>\$ -</u>	<u>\$ 874,376</u>
Net carrying amount at December 31, 2019	<u>\$ 2,374,365</u>	<u>\$ 247,134</u>	<u>\$ 1,800</u>	<u>\$ 61,028</u>	<u>\$ -</u>	<u>\$ 88,316</u>	<u>\$ 8,121</u>	<u>\$ 6,571</u>	<u>\$ 2,787,335</u>

	Freehold Land	Buildings	Transportation Equipment	Office Equipment	Leased Assets	Leasehold Improvements	Other Equipment	Total
<u>Cost</u>								
Balance at January 1, 2018	\$ 2,249,789	\$ 353,606	\$ 1,958	\$ 300,649	\$ 4,671	\$ 431,582	\$ 84,401	\$ 3,426,656
Additions	-	-	1,900	25,171	-	29,749	2,900	59,720
Disposals	-	-	-	(19,226)	-	(16,643)	-	(35,869)
Reclassifications	124,576	18,519	-	-	-	-	-	143,095
Balance at December 31, 2018	<u>\$ 2,374,365</u>	<u>\$ 372,125</u>	<u>\$ 3,858</u>	<u>\$ 306,594</u>	<u>\$ 4,671</u>	<u>\$ 444,688</u>	<u>\$ 87,301</u>	<u>\$ 3,593,602</u>
<u>Accumulated depreciation</u>								
Balance at January 1, 2018	\$ -	\$ 100,911	\$ 1,014	\$ 246,528	\$ 4,671	\$ 356,424	\$ 69,520	\$ 779,068
Depreciation expense	-	9,033	485	29,857	-	33,444	6,086	78,905
Disposals	-	-	-	(19,154)	-	(15,238)	-	(34,392)
Reclassifications	-	5,540	-	-	-	-	-	5,540
Balance at December 31, 2018	<u>\$ -</u>	<u>\$ 115,484</u>	<u>\$ 1,499</u>	<u>\$ 257,231</u>	<u>\$ 4,671</u>	<u>\$ 374,630</u>	<u>\$ 75,606</u>	<u>\$ 829,121</u>
Net carrying amount at December 31, 2018	<u>\$ 2,374,365</u>	<u>\$ 256,641</u>	<u>\$ 2,359</u>	<u>\$ 49,363</u>	<u>\$ -</u>	<u>\$ 70,058</u>	<u>\$ 11,695</u>	<u>\$ 2,764,481</u>

The above items of property, plant and equipment are depreciated on a straight-line basis over the following estimated useful lives:

Buildings - main buildings	21-55 years
Transportation equipment	5 years
Office equipment	3-5 years
Leased assets	3-5 years
Other equipment	3-15 years

- There was no interest capitalized during the years ended December 31, 2019 and 2018.
- Refer to Note 29 for the details of properties, plant and equipment pledged as collaterals.

12. LEASE ARRANGEMENTS

- Right-of-use assets - 2019

	December 31, 2019
<u>Carrying amounts</u>	
Land	\$ 2,525,753
Buildings	1,050
Office equipment	<u>12,297</u>

	<u>\$ 2,539,100</u>
	For the Year Ended December 31, 2019
Additions to right-of-use assets	<u>\$ 462,415</u>
Depreciation charge for right-of-use assets	\$ 402,770
Buildings	725
Office equipment	<u>3,984</u>
	<u>\$ 407,479</u>

b. Lease liabilities - 2019

	December 31, 2019
<u>Carrying amounts</u>	
Current	<u>\$ 392,330</u>
Non-current	<u>\$ 2,157,943</u>

Range of discount rate for lease liabilities was as follows:

	December 31, 2019
Buildings	1.29%
Office equipment	1.29%
Other equipment	1.29%

c. Material lease-in activities and terms

The Company leases buildings for the use of office spaces and branch stores with lease terms of 1 to 20 years. The Company does not have bargain purchase options to acquire the buildings at the end of the lease terms. In addition, the Company is prohibited from transferring all or any portion of the underlying assets without the lessor's consent.

d. Other lease information

Lease arrangements under operating leases for the leasing out of freehold investment properties are set out in Note 13.

2019

	For the Year Ended December 31, 2019
Expenses relating to short-term leases	<u>\$ 7,920</u>
Expenses relating to low-value asset leases	<u>\$ 10,760</u>
Total cash outflow for leases	<u>\$ 440,447</u>

The Company has elected to apply the recognition exemption and, did not recognize right-of-use assets and lease liabilities for these leases.

2018

The future minimum lease payment receivables of non-cancellable operating lease commitments were as follows:

	December 31, 2018
Not later than 1 year	\$ 375,002
Later than 1 year and not later than 5 years	541,929
Later than 5 years	<u>6,874</u>
	<u>\$ 923,805</u>

13. INVESTMENT PROPERTIES

	For the Year Ended December 31, 2019		
	Land	Buildings	Total
<u>Cost</u>			
Balance at January 1, 2019	\$ 2,335,481	\$ 388,125	\$ 2,723,606
Additions	82,918	11,406	94,324
Disposals	<u>(32,025)</u>	<u>(8,096)</u>	<u>(40,121)</u>
Balance at December 31, 2019	<u>\$ 2,386,374</u>	<u>\$ 391,435</u>	<u>\$ 2,777,809</u>
<u>Accumulated depreciation and impairment</u>			
Balance at January 1, 2019	\$ 10,010	\$ 122,834	\$ 132,844
Impairment loss	16,584	2,281	18,865
Depreciation expense	-	9,490	9,490
Disposals	<u>(9,882)</u>	<u>(2,850)</u>	<u>(12,732)</u>
Balance at December 31, 2019	<u>\$ 16,712</u>	<u>\$ 131,755</u>	<u>\$ 148,467</u>
Net carrying amount at December 31, 2019	<u>\$ 2,369,662</u>	<u>\$ 259,680</u>	<u>\$ 2,629,342</u>
	For the Year Ended December 31, 2018		
	Land	Buildings	Total
<u>Cost</u>			
Balance at January 1, 2018	\$ 2,445,118	\$ 406,068	\$ 2,851,186
Additions	27,400	815	28,215
Disposals	(12,461)	(239)	(12,700)
Transferred to property, plant and equipment	<u>(124,576)</u>	<u>(18,519)</u>	<u>(143,095)</u>
Balance at December 31, 2018	<u>\$ 2,335,481</u>	<u>\$ 388,125</u>	<u>\$ 2,723,606</u>

(Continued)

	For the Year Ended December 31, 2018		
	Land	Buildings	Total
<u>Accumulated depreciation and impairment</u>			
Balance at January 1, 2018	\$ 7,022	\$ 118,059	\$ 125,081
Impairment loss	2,988	115	3,103
Depreciation expense	-	10,207	10,207
Disposals	-	(7)	(7)
Transferred to property, plant and equipment	<u>-</u>	<u>(5,540)</u>	<u>(5,540)</u>
Balance at December 31, 2018	<u>\$ 10,010</u>	<u>\$ 122,834</u>	<u>\$ 132,844</u>
Net carrying amount at December 31, 2018	<u>\$ 2,325,471</u>	<u>\$ 265,291</u>	<u>\$ 2,590,762</u> (Concluded)

The lessees do not have bargain purchase options to acquire the investment properties at the expiry of the lease periods.

The maturity analysis of lease payments receivable under operating leases of investment properties as of December 31, 2019 was as follows:

	December 31, 2019
Year 1	\$ 101,986
Year 2	92,861
Year 3	86,780
Year 4	85,132
Year 5	77,301
Year 6 onwards	<u>77,254</u>
	<u>\$ 521,314</u>

The future minimum lease payments receivable of non-cancellable operating lease commitments as of December 31, 2018 were as follows:

	December 31, 2018
Not later than 1 year	\$ 102,020
Later than 1 year and not later than 5 years	82,324
Later than 5 years	<u>10</u>
	<u>\$ 184,354</u>

The investment properties are depreciated on a straight-line basis over the following estimated useful lives:

Buildings - main buildings 30-60 years

The total fair value of the Company's investment properties, freehold land and buildings as of December 31, 2019 and 2018 were \$9,817,358 thousand and \$9,491,621 thousand, respectively. The fair value determination was not performed by independent qualified professional appraisers, but by the management of the Company who used the valuation model that market participants generally use in determining fair value, and the fair value was measured by using Level 3 inputs. The fair value was arrived at by reference to market evidence of transaction prices for similar properties.

All of the Company's investment properties were held under freehold interests. The carrying amount of the investment properties that had been pledged by the Company to secure borrowings is disclosed in Note 29.

14. INTANGIBLE ASSETS

	December 31		
	2019	2018	
Goodwill	\$ -	\$ -	
System software costs	<u>36,674</u>	<u>42,188</u>	
	<u>\$ 36,674</u>	<u>\$ 42,188</u>	
For the Year Ended December 31, 2019			
	Goodwill	System Software Costs	Total
<u>Cost</u>			
Balance at January 1, 2019	\$ 9,621	\$ 232,276	\$ 241,897
Additions	-	16,336	16,336
Eliminations	<u>(9,621)</u>	<u>-</u>	<u>(9,621)</u>
Balance at December 31, 2019	<u>\$ -</u>	<u>\$ 248,612</u>	<u>\$ 248,612</u>
<u>Accumulated amortization</u>			
Balance at January 1, 2019	\$ 9,621	\$ 190,088	\$ 199,709
Amortization expense	-	21,850	21,850
Eliminations	<u>(9,621)</u>	<u>-</u>	<u>(9,621)</u>
Balance at December 31, 2019	<u>\$ -</u>	<u>\$ 211,938</u>	<u>\$ 211,938</u>
Net carrying amount at December 31, 2019	<u>\$ -</u>	<u>\$ 36,674</u>	<u>\$ 36,674</u>
For the Year Ended December 31, 2018			
	Goodwill	System Software Costs	Total
<u>Cost</u>			
Balance at January 1, 2018	\$ 9,621	\$ 213,749	\$ 223,370
Additions	<u>-</u>	<u>18,527</u>	<u>18,527</u>
Balance at December 31, 2018	<u>\$ 9,621</u>	<u>\$ 232,276</u>	<u>\$ 241,897</u>

(Continued)

	For the Year Ended December 31, 2018		
	Goodwill	System Software Costs	Total
<u>Accumulated amortization</u>			
Balance at January 1, 2018	\$ 9,621	\$ 163,246	\$ 172,867
Amortization expense	<u>-</u>	<u>26,842</u>	<u>26,842</u>
Balance at December 31, 2018	<u>\$ 9,621</u>	<u>\$ 190,088</u>	<u>\$ 199,709</u>
Net carrying amount at December 31, 2018	<u>\$ -</u>	<u>\$ 42,188</u>	<u>\$ 42,188</u> (Concluded)

The above intangible assets with finite useful lives are amortized on a straight-line basis over the following estimated useful lives:

System software costs 2-5 years

15. OTHER ASSETS

	December 31	
	2019	2018
Prepaid expenses	\$ 18,337	\$ 26,008
Temporary payments	300	360
Overdue receivables	1,271	335
Others	<u>1,890</u>	<u>1,890</u>
	<u>\$ 21,798</u>	<u>\$ 28,593</u>
Current	\$ 18,637	\$ 26,368
Non-current	<u>3,161</u>	<u>2,225</u>
	<u>\$ 21,798</u>	<u>\$ 28,593</u>

16. BORROWINGS

	December 31	
	2019	2018
<u>Secured borrowings</u>		
Bank loans	\$ 1,700,000	\$ 2,650,000
<u>Unsecured borrowings</u>		
Unsecured loans	<u>2,600,000</u>	<u>2,350,000</u>
Long-term borrowings	<u>\$ 4,300,000</u>	<u>\$ 5,000,000</u>

The long-term borrowings of the Company were as follows:

Content of Borrowings		December 31	
		2019	2018
E.SUN Bank	Loan limit: \$200,000 thousand; period: October 19, 2018 to October 19, 2021; fixed interest rate of 1.2%; interest is paid monthly and principal is repaid at maturity. The Company repaid all the debts in March 2019.	\$ -	\$ 200,000
E.SUN Bank	Loan limit: \$2,450,000 thousand; period: October 19, 2018 to October 19, 2021; fixed interest rate of 1.2%; interest is paid monthly and principal is repaid at maturity. The Company repaid all the debts in August 2019.	-	2,450,000
E.SUN Bank	Loan limit: \$2,420,000 thousand; period: August 02, 2019 to August 02, 2022; floating interest rate of 1.2%; interest is paid monthly and principal is repaid at maturity.	1,700,000	-
Bank of East Asia	Loan limit: \$1,600,000 thousand; period: November 15, 2018 to November 12, 2021; floating interest rate as of 1.242%; interest is paid monthly; 3% of principal is repaid in 18th, 24th and 30th months, respectively 91% of principal is paid in 36th month. The Company repaid all the debts in February 2019.	-	200,000
Yuanta Bank	Loan limit: \$200,000 thousand; period: March 23, 2018 to March 22, 2020; fixed interest rate of 1.25%; interest is paid monthly and principal is repaid at maturity. The Company repaid all the debts in February 2019.	-	200,000
Yuanta Bank	Loan limit: \$400,000 thousand; period: March 20, 2019 to March 19, 2021; fixed interest rate of 1.15%; interest is paid monthly and principal is repaid at maturity.	400,000	-
Mizuho Bank	Loan limit: \$300,000 thousand; period: November 30, 2018 to November 30, 2020; fixed interest rate of 1.16%; interest is paid monthly and principal is repaid at maturity. The Company repaid all the debts in October 2019.	-	200,000
Mizuho Bank	Loan limit: \$300,000 thousand; period: November 30, 2019 to November 30, 2021; fixed interest rate of 1.16%; interest is paid monthly and principal is repaid at maturity.	300,000	-
Bank of Sinopac	Loan limit: \$200,000 thousand; period: September 19, 2018 to September 19, 2020; fixed rate of 1.10%; interest is paid monthly and principal is repaid at maturity. The Company repaid all the debts in January 2019.	-	200,000
O-Bank	Loan limit: \$200,000 thousand; period: December 26, 2018 to December 25, 2020; fixed interest rate of 1.221%; interest is paid monthly and principal is repaid at maturity. The Company repaid all the debts in February 2019.	-	200,000

(Continued)

		December 31	
		2019	2018
Content of Borrowings			
Far Eastern Bank	Loan limit: \$800,000 thousand; period: April 02, 2018 to April 02, 2020; fixed interest rate of 1.29%; interest is paid monthly and principal is repaid at maturity. The Company repaid all the debts in February 2019.	\$ -	\$ 300,000
Far Eastern Bank	Loan limit: \$800,000 thousand; period: May 02, 2019 to May 02, 2021; fixed interest rate of 1.19%; interest is paid monthly and principal is repaid at maturity.	600,000	-
Taishin Bank	Loan limit: \$300,000 thousand; period: December 25, 2017 to December 25, 2020; fixed interest rate of 1.22%; interest is paid monthly and principal is repaid at maturity. The Company repaid all the debts in February 2019.	-	300,000
Taishin Bank	Loan limit: \$300,000 thousand; period: December 25, 2019 to December 25, 2022; fixed interest rate of 1.05%; interest is paid monthly and principal is repaid at maturity.	200,000	-
DBS	Loan limit: \$150,000 thousand; period: March 23, 2018 to March 23, 2020; fixed interest rate of 1.25%; interest is paid monthly and principal is repaid at maturity. The Company repaid all the debts in February 2019.	-	150,000
DBS	Loan limit: US\$400,000 thousand (equal to \$1,200,000 thousand New Taiwan dollars); period: January 02, 2019 to January 02, 2021; floating interest rate of 1.14%; interest is paid monthly and principal is repaid at maturity.	400,000	-
TC Bank	Loan limit: \$200,000 thousand; period: June 21, 2018 to June 21, 2020; fixed interest rate of 1.25%; interest is paid monthly and principal is repaid at maturity. The Company repaid all the debts in June 2019.	-	200,000
Mega Bank	Loan limit: \$250,000 thousand; period: August 13, 2018 to August 13, 2021; floating interest rate of 1.20%; interest is paid monthly and principal is repaid at maturity.	200,000	200,000
Shin Kong Bank	Loan limit: \$200,000 thousand; period: November 21, 2018 to November 20, 2021; fixed interest rate of 1.15%; interest is paid monthly and principal is repaid at maturity.	200,000	200,000
Shanghai Commercial and Savings Bank	Loan limit: \$400,000 thousand; period: December 08, 2018 to December 08, 2021; fixed interest rate of 1.20%; interest is paid monthly and principal is repaid at maturity.	200,000	-
First Bank	Loan limit: \$100,000 thousand; period: April 10, 2019 to April 10, 2021; fixed interest rate of 1.16%; interest is paid monthly and principal is repaid at maturity.	100,000	-
Total long-term borrowings		<u>\$ 4,300,000</u>	<u>\$ 5,000,000</u> (Concluded)

Refer to Note 29 for the details of assets pledged as collaterals for long-term borrowings.

17. BONDS PAYABLE

	<u>December 31</u>	
	<u>2019</u>	<u>2018</u>
Domestic unsecured bonds	\$ 5,300,000	\$ 5,900,000
Less: Current portion	<u>-</u>	<u>(1,500,000)</u>
	<u>\$ 5,300,000</u>	<u>\$ 4,400,000</u>

The major terms of domestic unsecured bonds were as follows:

Issuance Period	Total Amount (In Thousands)	Coupon Rate	Repayment and Interest Payment
June 2014 to June 2019	\$ 3,000,000	1.48%	At the end of the 4th and 5th year from the issuance date, the Company will repay half of the principle, respectively. Interest is paid annually.
May 2018 to May 2021	700,000	0.92%	Principal is repaid at maturity. Interest is paid annually.
May 2018 to May 2023	1,900,000	1.07%	Principal is repaid at maturity. Interest is paid annually.
July 2018 to July 2023	1,800,000	1.05%	Principal is repaid at maturity. Interest is paid annually.
November 2019 to November 2029	900,000	1.25%	Principal is repaid at maturity. Interest is paid annually.

Domestic unsecured bonds issued in June 2014, totaling \$3,000,000 thousand, were repaid by \$1,500,000 thousand and \$1,500,000 thousand in June 2018 and June 2019, respectively.

18. OTHER LIABILITIES

	<u>December 31</u>	
	<u>2019</u>	<u>2018</u>
<u>Current</u>		
Other payables	\$ 1,931,872	\$ 1,491,246
Other liabilities	<u>165,215</u>	<u>134,344</u>
	<u>\$ 2,097,087</u>	<u>\$ 1,625,590</u>
<u>Non-current</u>		
Other liabilities	<u>\$ 606,633</u>	<u>\$ 452,555</u>

a. Other payables were as follows:

	<u>December 31</u>	
	2019	2018
<u>Other payables - expenses</u>		
Payables for performance bonus and salaries	\$ 1,410,489	\$ 1,052,337
Payables for annual leave	104,145	82,884
Advertisement payable	97,481	65,440
Payables for labor and health insurance	76,066	53,502
Interest payables	28,487	38,933
Payables for employees bonuses and compensation to directors	20,181	35,193
Payables for professional fees	8,587	9,351
Others	<u>106,586</u>	<u>87,217</u>
	<u>\$ 1,852,022</u>	<u>\$ 1,424,857</u>
<u>Other payables - others</u>		
Other receipts under custody	<u>\$ 51,720</u>	<u>\$ 39,611</u>
<u>Other payables to related parties</u>		
Others	<u>\$ 28,130</u>	<u>\$ 26,778</u>

b. Other current liabilities were as follows:

	<u>December 31</u>	
	2019	2018
<u>Current</u>		
VAT payable and other tax payable	\$ 108,048	\$ 85,809
Refund liability	44,387	37,173
Others	<u>12,780</u>	<u>11,362</u>
	<u>\$ 165,215</u>	<u>\$ 134,344</u>
<u>Non-current</u>		
Long-term bonus payable	\$ 605,362	\$ 452,220
Refund liability	<u>1,271</u>	<u>335</u>
	<u>\$ 606,633</u>	<u>\$ 452,555</u>

- 1) The refund liability was estimated as based on historical experience of actual discount. The estimation was recognized as a reduction of operating revenue in the period the related services were provided.
- 2) Employees and senior management who meet the performance standards under the bonus rules are eligible for performance bonuses. Performance bonuses to be paid one year later are recorded as other non-current liabilities.

19. RETIREMENT BENEFIT PLANS

a. Defined contribution plan

The Company adopted a pension plan under the Labor Pension Act (LPA), which is a state-managed defined contribution plan. Under the LPA, an entity makes monthly contributions to employees' individual pension accounts at 6% of monthly salaries and wages.

b. Defined benefit plan

The defined benefit plan adopted by the Company in accordance with the Labor Standards Law is operated by the government. Pension benefits are calculated on the basis of the length of service and average monthly salaries of the six months before retirement. The Company contributes amounts equal to 2% of total monthly salaries and wages to a pension fund administered by the pension fund monitoring committee. Pension contributions are deposited in the Bank of Taiwan in the committee's name. Before the end of each year, the Company assesses the balance in the pension fund. If the amount of the balance in the pension fund is inadequate to pay retirement benefits for employees who conform to retirement requirements in the next year, the Company is required to fund the difference in one appropriation that should be made before the end of March of the next year. The pension fund is managed by the Bureau of Labor Funds, Ministry of Labor (the "Bureau"); the Company has no right to influence the investment policy and strategy.

The amounts included in the balance sheets in respect of the Company's defined benefit plan were as follows:

	December 31	
	2019	2018
Present value of defined benefit obligation	\$ 701,557	\$ 648,157
Fair value of plan assets	<u>(562,707)</u>	<u>(550,046)</u>
Deficit	<u>138,850</u>	<u>98,111</u>
Net defined benefit liability	<u>\$ 138,850</u>	<u>\$ 98,111</u>

Movements in net defined benefit liability (asset) were as follows:

	Present Value of the Defined Benefit Obligation	Fair Value of the Plan Assets	Net Defined Benefit (Asset) Liability
Balance at January 1, 2018	<u>\$ 589,400</u>	<u>\$ (519,994)</u>	<u>\$ 69,406</u>
Service cost			
Current service cost	3,871	-	3,871
Past service cost	434	-	434
Net interest expense (income)	<u>8,104</u>	<u>(7,216)</u>	<u>888</u>
Recognized in profit or loss	<u>12,409</u>	<u>(7,216)</u>	<u>5,193</u>

(Continued)

	Present Value of the Defined Benefit Obligation	Fair Value of the Plan Assets	Net Defined Benefit (Asset) Liability
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	\$ -	\$ (14,157)	\$ (14,157)
Actuarial loss - changes in demographic assumptions	8,986	-	8,986
Actuarial loss - changes in financial assumptions	10,171	-	10,171
Actuarial loss - experience adjustments	<u>30,957</u>	<u>-</u>	<u>30,957</u>
Recognized in other comprehensive income	<u>50,114</u>	<u>(14,157)</u>	<u>35,957</u>
Contributions from the employer	<u>-</u>	<u>(12,445)</u>	<u>(12,445)</u>
Benefits paid	<u>(3,766)</u>	<u>3,766</u>	<u>-</u>
Balance at December 31, 2018	<u>648,157</u>	<u>(550,046)</u>	<u>98,111</u>
Service cost			
Current service cost	3,587	-	3,587
Past service cost	289	-	289
Net interest expense (income)	<u>8,102</u>	<u>(6,956)</u>	<u>1,146</u>
Recognized in profit or loss	<u>11,978</u>	<u>(6,956)</u>	<u>5,022</u>
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(17,783)	(17,783)
Actuarial loss - changes in demographic assumptions	7,495	-	7,495
Actuarial loss - changes in financial assumptions	41,949	-	41,949
Actuarial loss - experience adjustments	<u>18,546</u>	<u>-</u>	<u>18,546</u>
Recognized in other comprehensive income	<u>67,990</u>	<u>(17,783)</u>	<u>50,207</u>
Contributions from the employer	<u>-</u>	<u>(13,609)</u>	<u>(13,609)</u>
Benefits paid	<u>(26,568)</u>	<u>25,687</u>	<u>(881)</u>
Balance at December 31, 2019	<u>\$ 701,557</u>	<u>\$ (562,707)</u>	<u>\$ 138,850</u> (Concluded)

An analysis by function of the amounts recognized in profit or loss in respect of the defined benefit plan is as follows:

	<u>For the Year Ended December 31</u>	
	2019	2018
Operating costs	\$ 4,426	\$ 4,567
Management expenses	<u>596</u>	<u>626</u>
	<u>\$ 5,022</u>	<u>\$ 5,193</u>

Through the defined benefit plan under the Labor Standards Law, the Company is exposed to the following risks:

- 1) Investment risk: The plan assets are invested in domestic and foreign equity and debt securities, bank deposits, etc. The investment is conducted at the discretion of the Bureau or under the mandated management. However, in accordance with relevant regulations, the return generated by plan assets should not be below the interest rate for a 2-year time deposit with local banks.

- 2) Interest risk: A decrease in the government or corporate bond interest rate will increase the present value of the defined benefit obligation; however, this will be partially offset by an increase in the return on the plan's debt investments.
- 3) Salary risk: The present value of the defined benefit obligation is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the present value of the defined benefit obligation.

The actuarial valuations of the present value of the defined benefit obligation were carried out by qualified actuaries. The significant assumptions used for the purposes of the actuarial valuations were as follows:

	December 31	
	2019	2018
Discount rates	0.750%	1.250%
Expected rates of salary increase	3.000%	3.000%

If possible reasonable change in each of the significant actuarial assumptions will occur and all other assumptions will remain constant, the present value of the defined benefit obligation would increase (decrease) as follows:

	December 31	
	2019	2018
Discount rates		
0.25% increase	<u>\$ (21,453)</u>	<u>\$ (20,348)</u>
0.25% decrease	<u>\$ 22,342</u>	<u>\$ 21,211</u>
Expected rates of salary increase		
0.25% increase	<u>\$ 21,487</u>	<u>\$ 20,495</u>
0.25% decrease	<u>\$ (20,751)</u>	<u>\$ (19,771)</u>

The sensitivity analysis presented above may not be representative of the actual change in the present value of the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

	December 31	
	2019	2018
The expected contributions to the plan for the next year	<u>\$ 9,507</u>	<u>\$ 12,816</u>
The average duration of the defined benefit obligation	12.42 years	12.8 years

20. EQUITY

Share Capital

	December 31	
	2019	2018
Numbers of shares authorized (in thousands)	<u>1,000,000</u>	<u>1,000,000</u>
Share capital authorized	<u>\$ 10,000,000</u>	<u>\$ 10,000,000</u>
Number of shares issued and fully paid (in thousands)	<u>736,847</u>	<u>736,847</u>
Share capital issued	<u>\$ 7,368,465</u>	<u>\$ 7,368,465</u>

The Company had increased capital by allocating the undistributed earnings of \$853,465 thousand in June 2018. As such, as of December 31, 2018 the capital had increased to \$7,368,465 thousand with 736,847 thousand ordinary shares at \$10 per share.

The ordinary shares issued, which have par value of \$10, carry one vote and a right to dividends.

Capital Surplus

	<u>December 31</u>	
	<u>2019</u>	<u>2018</u>
<u>May not be used for any purpose</u>		
Employee share options	\$ 63,896	\$ 63,896
<u>May be used to offset a deficit, distributed as cash dividends, or transferred to share capital</u>		
The difference between consideration received or paid and the carrying amount of the subsidiaries' net assets during actual disposal or acquisition	<u>-</u>	<u>632</u>
	<u>\$ 63,896</u>	<u>\$ 64,528</u>

The capital surplus from shares issued in excess of par (additional paid-in capital from issuance of ordinary shares, conversion of bonds, treasury share transactions and arising from the excess of the consideration received over the carrying amount of the subsidiaries' net assets during disposal or acquisition) and donations may be used to offset a deficit; in addition, when the Company has no deficit, such capital surplus may be distributed as cash dividends or transferred to capital (limited to a certain percentage of the Company's paid-in capital).

The capital surplus from long-term investments, employee share options and conversion options may not be used for any purpose.

Retained Earnings and Dividend Policy

- a. Under the dividend policy as set forth in the amended Articles, where the Company has earning upon settlement for a fiscal year, after taxes are paid by law and accumulated deficits are set off, ten percent shall be appropriated as legal earning reserves; however, if the amount of the legal earning reserves has attained the amount of paid-in capital of the Company, no further appropriation shall be made. The remainder shall be appropriated or reversed as special earning reserves. If there still has balance, considering together with accumulated undistributed earnings, the board of directors shall prepare the proposal for earning distribution, which shall be submitted to the shareholders' meeting for a resolution of distribution of dividends and bonuses to shareholders. For the policies on distribution of employees' compensation and remuneration of directors after amendment, please refer to Employee benefits expense in Note 21.
- b. In addition, according to the revised Article of Incorporation of the Company, the dividend policy of the Company is to deliberately distribute dividends, in light of the present and future development plan, taking into consideration the investment environments, fund demands, and domestic competition status as well as factors of interests of shareholder. However, the amount of proposed earning distribution of current year may not be less than 20% of accumulated distributable earnings. In distributing dividends and bonuses to shareholders, the distribution may be made by shares or cash, of which cash dividends may not be less than 10% of total amount of dividends.
- c. Appropriation of earnings to legal reserve shall be made until the legal reserve equals the Company's

paid-in capital. Legal reserve may be used to offset deficit. If the Company has no deficit and the legal reserve has exceeded 25% of the Company's paid-in capital, the excess may be transferred to capital or distributed in cash.

- d. The appropriations of earnings for 2018 and 2017 which approved in the shareholders' meeting held on May 24, 2019 and May 23, 2018, respectively, were as follows:

	<u>Appropriation of Earnings</u>		<u>Dividends Per Share (NT\$)</u>	
	<u>For the Year Ended</u>		<u>For the Year Ended</u>	
	<u>December 31</u>		<u>December 31</u>	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Legal reserve	\$ 150,458	\$ 280,282	\$ -	\$ -
Special reserve	199,606	40,830	-	-
Cash dividends	957,900	1,628,750	1.30	2.50
Share dividends	-	853,465	-	1.31

- e. The appropriations of earnings for 2019 had been proposed by the Company's board of directors on February 27, 2020. The appropriations and dividends per share were as follows:

	<u>Appropriation</u>	<u>Dividends Per</u>
	<u>of Earnings</u>	<u>Share (NT\$)</u>
Legal reserve	\$ 121,670	\$ -
Special reserve	346,879	-
Cash dividends	884,216	1.2

The appropriations of earnings for 2018 are subject to the resolution of the shareholders' meeting to be held on May 22, 2020.

Other Equity Items

- a. Exchange differences on translating the financial statements of foreign operations

Exchange differences relating to the translation of the results and net assets of the Company's foreign operations from their functional currencies to the Company's presentation currency (i.e., New Taiwan dollars) were recognized directly in other comprehensive income and accumulated in the exchange differences on translation of foreign operations. Gains and losses on hedging instruments that were designated as hedging instruments for hedges of net investments in foreign operations were included in the foreign currency translation reserve. Exchange differences previously accumulated in the foreign currency translation reserve were reclassified to profit or loss on the disposal of the foreign operation.

- b. Unrealized gains or losses on financial assets at fair value through other comprehensive income

Unrealized gains or losses on financial assets at fair value through other comprehensive income represents the cumulative gains and losses arising on the revaluation of financial assets at fair value through other comprehensive income, that have been defined to recognize in other comprehensive income. The accumulated amounts of unrealized gains or losses on financial assets at fair value through other comprehensive income did not reclassified to gains or losses when dispose of investment.

21. NET PROFIT FROM CONTINUING OPERATIONS

Net profit from continuing operations consisted of the following:

Interest Income

	<u>For the Year Ended December 31</u>	
	<u>2019</u>	<u>2018</u>
Interest income		
Cash in bank	\$ 4,515	\$ 4,544
Others	<u>1,163</u>	<u>687</u>
	<u>\$ 5,678</u>	<u>\$ 5,231</u>

Other Gains and Losses

	<u>For the Year Ended December 31</u>	
	<u>2019</u>	<u>2018</u>
Impairment loss of investment properties	\$ (18,865)	\$ (3,103)
Losses on disposal of property, plant and equipment	(516)	(1,471)
Gains (losses) on disposal of investment properties	7,961	(3,901)
Net foreign exchange gain	3,878	2,965
Administration service revenue	36,200	34,047
Investment impairment loss using equity method	(10,513)	-
Others	<u>12,737</u>	<u>11,664</u>
	<u>\$ 30,882</u>	<u>\$ 40,201</u>

Finance Costs

	<u>For the Year Ended December 31</u>	
	<u>2019</u>	<u>2018</u>
Interest on bank loans	\$ 51,602	\$ 50,811
Interest on bonds payable	57,483	59,351
Interest on lease liabilities	32,516	-
Interest on back tax from administrative remedies	-	1,892
Others	<u>17</u>	<u>18</u>
	<u>\$ 141,618</u>	<u>\$ 112,072</u>

Depreciation and Amortization

	For the Year Ended December 31	
	2019	2018
Property, plant and equipment	\$ 66,716	\$ 78,905
Investment property	9,490	10,207
Intangible assets	21,850	26,842
Right-of-use assets	<u>407,479</u>	<u>-</u>
	<u>\$ 505,535</u>	<u>\$ 115,954</u>
An analysis of depreciation by function		
Operating costs	\$ 452,019	\$ 56,408
Management expenses	22,176	22,497
Other losses	<u>9,490</u>	<u>10,207</u>
	<u>\$ 483,685</u>	<u>\$ 89,112</u>
An analysis of amortization by function		
Operating costs	\$ 156	\$ 162
Management expenses	<u>21,694</u>	<u>26,680</u>
	<u>\$ 21,850</u>	<u>\$ 26,842</u>

Operating Expenses Directly Related to Investment Properties

	For the Year Ended December 31	
	2019	2018
Direct operating expenses from investment property that generated rental income	\$ 24,450	\$ 25,189
Direct operating expenses from investment property that did not generate rental income	<u>65</u>	<u>42</u>
	<u>\$ 24,515</u>	<u>\$ 25,231</u>

Employee Benefits Expense

	For the Year Ended December 31	
	2019	2018
Employee benefits expense (included salary expense and labor and health insurance expense)	\$ 5,324,538	\$ 4,444,381
Post-employment benefits		
Defined contribution plan	170,710	150,071
Defined benefit plan (Note 19)	<u>5,022</u>	<u>5,193</u>
	<u>175,732</u>	<u>155,264</u>
Remuneration of directors	<u>8,439</u>	<u>8,369</u>
Directors' compensation	<u>132,950</u>	<u>153,299</u>
Other employee benefits	<u>\$ 5,641,659</u>	<u>\$ 4,761,313</u>

(Continued)

	For the Year Ended December 31	
	2019	2018
Summary by function		
Operating costs	\$ 5,111,864	\$ 4,283,683
Management expenses	<u>529,795</u>	<u>477,630</u>
	<u>\$ 5,641,659</u>	<u>\$ 4,761,313</u>
		(Concluded)

Employee's Compensation and Remuneration of Directors

The Company accrued employees' compensation and remuneration of directors at the rates no less than 1% and no higher than 1%, respectively, of net profit before income tax, employees' compensation, and remuneration of directors. The employees' compensation and remuneration of directors for the years ended December 31, 2019 and 2018, which have been approved by the Company's board of directors on February 27, 2020 and February 25, 2019, respectively, were as follows:

Accrual rate

	For the Year Ended December 31	
	2019	2018
Employees' compensation	1.00%	1.00%
Remuneration of directors	0.241%	0.191%

Amount

	For the Year Ended December 31	
	2019	2018
	Cash	Cash
Employees' compensation	\$ 16,258	\$ 20,476
Remuneration of directors	3,923	3,909

If there is a change in the amounts after the annual financial statements were authorized for issue, the differences are recorded as a change in the accounting estimate.

There is no difference between the actual amounts of employees' compensation and remuneration of directors and supervisors paid and the amounts recognized in the annual financial statements for the years ended December 31, 2018 and 2017.

Information on the employees' compensation and remuneration of directors resolved by the Company's board of directors in 2019 and 2018 is available at the Market Observation Post System website of the Taiwan Stock Exchange.

Impairment Loss Recognized on Non-financial Assets

	For the Year Ended December 31	
	2019	2018
Investments accounted for using equity method (included in other operating income and expenses, net)	<u>\$ 10,513</u>	<u>\$ -</u>
Investment property (included in other operating income and expenses, net)	<u>\$ 18,865</u>	<u>\$ 3,103</u>

22. INCOME TAXES RELATING TO CONTINUING OPERATION

a. Income tax recognized in profit or loss

The major components of tax expense were as follows

	For the Year Ended December 31	
	2019	2018
Current tax		
In respect of the current year	\$ 361,548	\$ 523,751
Income tax expense of unappropriated earnings	6,588	-
Land value increment tax	53	-
In respect of the prior years	986	302
Deferred tax		
Adjustments to deferred tax attributable to changes in tax rates	-	(356)
In respect of the current year	<u>(26,485)</u>	<u>(5,565)</u>
Income tax expense recognized in profit or loss	<u>\$ 342,690</u>	<u>\$ 518,132</u>

A reconciliation of accounting profit and income tax expenses is as follows:

	For the Year Ended December 31	
	2019	2018
Profit before tax from continuing operations	<u>\$ 1,605,624</u>	<u>\$ 2,022,719</u>
Income tax expense calculated at the statutory rate (20%)	\$ 321,125	\$ 404,544
Nondeductible expenses in determining taxable income	31,150	5,390
Tax-exempt income	(1,908)	(866)
Additional income tax on unappropriated earnings	6,588	-
Land value increment tax	53	-
Changes in tax rate	-	(356)
Adjustments for prior years' tax	986	302
Unrecognized deductible temporary differences	<u>(15,304)</u>	<u>109,118</u>
Income tax expense recognized in profit or loss	<u>\$ 342,690</u>	<u>\$ 518,132</u>

The Income Tax Act in the ROC was amended in 2018, and the corporate income tax rate was adjusted from 17% to 20%. In addition, the rate of the corporate surtax applicable to the 2018 unappropriated earnings was reduced from 10% to 5%.

In July 2019, the President of the ROC announced the amendments to the Statute for Industrial Innovation, which stipulate that the amounts of unappropriated earnings in 2018 and thereafter that are reinvested in the construction or purchase of certain assets or technologies are allowed as deduction when computing the income tax on unappropriated earnings. The Company has already deducted the amount of capital expenditure from the unappropriated earnings in 2018 that was reinvested when calculating the tax on unappropriated earnings for the year ended December 2019.

b. Income tax benefit recognized in other comprehensive income

For the Year Ended December 31
2019 2018

Deferred tax

In respect of the current year

Remeasurement on defined benefit plan	\$ 10,041	\$ 7,192
Changes in tax rate	-	4,696
	\$ 10,041	\$ 11,888

c. Current tax assets and liabilities

December 31
2019 2018

Current tax assets

Tax refund receivables	\$ 336	\$ 38,028
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Current tax liabilities

Income tax payables	\$ 122,148	\$ 263,063
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d. Deferred tax assets and liabilities

The Company has offset certain deferred tax assets and deferred tax liabilities which met the offset criteria.

The movements of deferred tax assets and deferred tax liabilities were as follows:

For the year ended December 31, 2019

	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Closing Balance
<u>Deferred tax assets</u>				
Temporary differences				
Refund liability	\$ 7,502	\$ 1,630	\$ -	\$ 9,132
Allowance for impairment loss	1,265	-	-	1,265
Others	21,187	2,663	-	23,850
	\$ 29,954	\$ 4,293	\$ -	\$ 34,247
<u>Deferred tax liabilities</u>				
Temporary differences				
Defined benefit obligation	\$ 9,997	\$ 1,716	\$ (10,041)	\$ 1,672
Subsidiary undistributed retained earnings	23,908	(23,908)	-	-
	\$ 33,905	\$ (22,192)	\$ (10,041)	\$ 1,672

For the year ended December 31, 2018

	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Closing Balance
<u>Deferred tax assets</u>				
Temporary differences				
Refund liability	\$ 6,186	\$ 1,316	\$ -	\$ 7,502
Allowance for impairment loss	708	557	-	1,265
Others	<u>8,499</u>	<u>12,688</u>	<u>-</u>	<u>21,187</u>
	<u>\$ 15,393</u>	<u>\$ 14,561</u>	<u>\$ -</u>	<u>\$ 29,954</u>
<u>Deferred tax liabilities</u>				
Temporary differences				
Defined benefit obligation	\$ 13,377	\$ (15,268)	\$ 11,888	\$ 9,997
Subsidiary undistributed retained earnings	<u>-</u>	<u>23,908</u>	<u>-</u>	<u>23,908</u>
	<u>\$ 13,377</u>	<u>\$ 8,640</u>	<u>\$ 11,888</u>	<u>\$ 33,905</u>

- e. The aggregate amount of temporary difference associated with investments for which deferred tax liabilities have not been recognized

As of December 31, 2019 and 2018, the taxable temporary differences associated with investments in subsidiaries for which no deferred tax liabilities have been recognized were \$379,905 thousand and \$382,757 thousand, respectively.

- f. Income tax assessments

The Company's tax returns through 2017 have been assessed by the tax authorities.

23. EARNINGS PER SHARE

Unit: NT\$ Per Share

	<u>For the Year Ended December 31</u>	
	2019	2018
Basic EPS	<u>\$ 1.71</u>	<u>\$ 2.04</u>
Diluted EPS	<u>\$ 1.71</u>	<u>\$ 2.04</u>

The earnings and weighted average number of ordinary shares outstanding in the computation of earnings per share from continuing operations were as follows:

Net Profit for the Year

	<u>For the Year Ended December 31</u>	
	2019	2018
Profit for the year	<u>\$ 1,262,934</u>	<u>\$ 1,504,587</u>

Weighted average number of ordinary shares outstanding (in thousand shares):

	<u>For the Year Ended December 31</u>	
	2019	2018
Weighted average number of ordinary shares in computation of basic earnings per share	736,847	736,847
Effect of dilutive potential ordinary shares:		
Employees' compensation	<u>772</u>	<u>1,071</u>
Weighted average number of ordinary shares used in the computation of diluted earnings per share	<u>737,619</u>	<u>737,918</u>

Since the Company is allowed to settle the compensation to employees by cash or shares, the Company presumed that the entire amount of the compensation will be settled in shares and the resulting potential shares are included in the weighted average number of outstanding shares used in the calculation of diluted earnings per share, as the shares have a dilutive effect. The number of shares is estimated by dividing the entire amount of the bonus by the closing price of the shares at the balance sheet date. The dilutive effect of the potential shares is included in the calculation of diluted earnings per share until the shareholders resolve the number of shares to be distributed to employees at their meeting in the following year.

24. SUBSIDIARY ACQUIRED - GAIN CONTROL

Subsidiaries Acquired

Subsidiary	Principal Activity	Date of Acquisition	Proportion of Voting Equity Interests Acquired (%)	Consideration Transferred
Sinyi Real Estate Consulting Limited	Production of instructions of real estate	June 15, 2018	100	<u>\$ 8,000</u>

The Company acquired Sinyi Real Estate Consulting Limited to pursue the development of business and to integrate the resources of the Company. Refer to Note 31 to the consolidated financial statements for the year ended December 31, 2019 for details about the acquisition of Sinyi Real Estate Consulting Limited.

25. CASH FLOW INFORMATION

Changes in Liabilities Arising from Financing Activities

For the year ended December 31, 2019

	Opening Balance	Cash Flows	Non-cash Changes		Cash Flow from Operating Activities	Closing Balance
			New Leases	Other		
Bonds payable (including current portion)	\$ 5,900,000	\$ (600,000)	\$ -	\$ -	\$ -	\$ 5,300,000
Long-term borrowings (including current portion)	5,000,000	(700,000)	-	-	-	4,300,000
Guarantee deposits received	37,261	(6,380)	-	-	-	30,881
Lease liabilities (Note 3)	<u>2,515,762</u>	<u>(389,251)</u>	<u>423,762</u>	<u>32,516</u>	<u>(32,516)</u>	<u>2,550,273</u>
	<u>\$ 13,453,023</u>	<u>\$ (1,695,631)</u>	<u>\$ 423,762</u>	<u>\$ 32,516</u>	<u>\$ (32,516)</u>	<u>\$ 12,181,154</u>

For the year ended December 31, 2018

	Opening Balance	Cash Flows	Closing Balance
Short-term borrowings	\$ 800,000	\$ (800,000)	\$ -
Bonds payable (including current portion)	3,000,000	2,900,000	5,900,000
Long-term borrowings (including current portion)	4,250,000	750,000	5,000,000
Guarantee deposits received	<u>38,260</u>	<u>(999)</u>	<u>37,261</u>
	<u>\$ 8,088,260</u>	<u>\$ 2,849,001</u>	<u>\$ 10,937,261</u>

26. CAPITAL RISK MANAGEMENT

The Company manages its capital to ensure that entities in the Company will be able to continue as going concerns while maximizing the return to stakeholders through the optimization of the debt and equity balance.

Key management personnel of the Company review the capital structure on a quarterly basis. Based on recommendations of the key management personnel, in order to balance the overall capital structure, the Company may adjust the amount of dividends paid to shareholders, the number of new shares issued or repurchased, and/or the amount of new debt issued or existing debt redeemed.

27. FINANCIAL INSTRUMENTS

a. Fair value of financial instruments not measured at fair value

Except as detailed in the following table, management believes the carrying amounts of financial assets and financial liabilities recognized in the financial statements approximate their fair values or their fair values cannot be reliably measured.

December 31, 2019

	Carrying Amount	Fair Value Hierarchy			Total
		Level 1	Level 2	Level 3	
<u>Financial liabilities</u>					
Financial liabilities measured at amortized cost - bonds payable					
	\$ 5,300,000	\$ -	\$ 5,314,254	\$ -	\$ 5,314,254

December 31, 2018

	Carrying Amount	Fair Value Hierarchy			Total
		Level 1	Level 2	Level 3	
<u>Financial liabilities</u>					
Financial liabilities measured at amortized cost - bonds payable					
	\$ 5,900,000	\$ -	\$ 5,912,939	\$ -	\$ 5,912,939

The fair values of the financial liabilities included in the Level 2 category above have been determined in accordance with market price based on a discounted cash flow analysis, with the most significant observable inputs being the bond duration, interest rates and credit ratings, etc.

b. Fair value of financial instruments measured at fair value on a recurring basis

1) Fair value hierarchy

December 31, 2019

	Level 1	Level 2	Level 3	Total
Financial assets at FVTOCI				
Domestic listed shares - equity investments	\$ 383,088	\$ -	\$ -	\$ 383,088
Domestic unlisted shares - equity investments	-	-	95,532	95,532
	<u>\$ 383,088</u>	<u>\$ -</u>	<u>\$ 95,532</u>	<u>\$ 478,620</u>

December 31, 2018

	Level 1	Level 2	Level 3	Total
Financial assets at FVTOCI				
Domestic listed shares - equity investments	\$ 257,668	\$ -	\$ -	\$ 257,668
Domestic unlisted shares - equity investments	<u>-</u>	<u>-</u>	<u>88,583</u>	<u>88,583</u>
	<u>\$ 257,668</u>	<u>\$ -</u>	<u>\$ 88,583</u>	<u>\$ 346,251</u>

There were no transfers between Level 1 and Level 2 in 2019 and 2018.

2) Reconciliation of Level 3 fair value measurements of financial instruments

2019

	Financial Assets at Fair Value Through Other Comprehensive Income Equity Instruments
Balance at January 1, 2019	\$ 88,583
Addition	4,500
Recognized in other comprehensive income	<u>2,449</u>
Balance at December 31, 2019	<u>\$ 95,532</u>

2018

	Financial Assets at Fair Value Through Other Comprehensive Income Equity Instruments
Balance at January 1, 2018	\$ 39,328
Addition	48,774
Recognized in other comprehensive income	<u>481</u>
Balance at December 31, 2018	<u>\$ 88,583</u>

3) Valuation techniques and inputs applied for Level 3 fair value measurement

<u>Financial Instruments</u>	<u>Valuation Techniques and Inputs</u>
Domestic unlisted shares	According to the balance sheet of the evaluation target, evaluate the total value of its individual assets and liabilities using market approach consistently with the consideration of liquidity and non-control discounts to reflect the overall value of the target.

c. Categories of financial instruments

	<u>December 31</u>	
	<u>2019</u>	<u>2018</u>
<u>Financial assets</u>		
Financial assets at amortized cost (Note 1)	\$ 1,654,099	\$ 3,307,979
Financial assets at FVTOCI	478,620	346,251
<u>Financial liabilities</u>		
Amortized cost (Note 2)	12,169,699	12,881,328

Note 1: The balance included loans and receivables measured at amortized cost, which comprise cash and cash equivalents, notes receivable and trade receivables (including related parties), other receivables (including related parties), other current financial assets and refundable deposits.

Note 2: The balance included financial liabilities measured at amortized cost, which comprise notes payable, other payables, bonds payable (including current portion of bonds payable), long-term borrowings, guarantee deposits received and other non-current liabilities.

Financial Risk Management Objectives and Policies

The Company's major financial instruments included equity, trade receivables, other payables, bonds payable, borrowings and lease liabilities. The Company's Corporate Treasury function provides services to the business and manages the financial risks relating to the operations of the Company through internal risk reports which analyze exposures by degree and magnitude of risks. These risks include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk. The Company seeks to ensure sufficient funding readily available when needed with the objective to reduce the potentially adverse effects the market uncertainties may have on its financial performance.

The plans for material treasury activities are reviewed by Audit Committees and/or Board of Directors in accordance with procedures required by relevant regulations or internal controls. During the implementation of such plans, Corporate Treasury function must comply with certain treasury procedures that provide guiding principles for overall financial risk management and segregation of duties. Compliance with policies and exposure limits is reviewed by the internal auditors on a continuous basis.

a. Market risk

The Company's activities exposed it primarily to the financial risks of changes in foreign currency exchange rates and interest rates.

1) Foreign currency exchange

Most of the Company's operating activities are in Taiwan, which is denominated in New Taiwan dollars. Therefore, the operating activities in Taiwan are not exposed to foreign currency risk. The Company took foreign operations as strategic investments and did not hedge the risk.

For the carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period, refer to Note 31.

Foreign currency sensitivity analysis

The following table details the Company's sensitivity to a 1% increase and decrease in the New Taiwan dollars ("NTD", the functional currency) against the relevant foreign currencies. A positive number below indicates an increase in profit before income tax or equity where the NTD strengthens 1% against the relevant currency. For a 1% weakening of the NTD against the relevant currency, the balances below would be negative if the other factors remain unchanged.

	For the Year Ended December 31			
	2019		2018	
	USD	MYR	USD	MYR
Equity	\$ 6,282	\$ 11,529	\$ 5,984	\$ 176
Profit or loss	1,129	327	8,683	-

2) Interest rate risk

The Company is exposed to interest rate risk on investments and borrowings; interest rates could be fixed or floating. The investments and part of borrowings are fixed-interest rates and measured at amortized cost, and changes in interest will not affect future cash flows. Another part of borrowings are floating-interest rates, and changes in interest will affect future cash flows, but will not affect fair value.

The carrying amounts of the Company's financial assets and financial liabilities with exposure to interest rates at the end of reporting period were as follows:

	December 31	
	2019	2018
Fair value interest rate risk		
Financial assets	\$ 110,326	\$ 721,364
Financial liabilities	9,850,273	10,500,000
Cash flow interest rate risk		
Financial assets	5,000	-
Financial liabilities	2,300,000	400,000

Interest rate sensitivity analysis

The Company was exposed to cash flow interest rate risk in relation to floating rate financial assets or liabilities, and the financial assets, short-term and long-term borrowings will be affected by the changes in market interest rate accordingly. If the market interest rate increased/decreased by 1%, the Company's cash outflow will increase/decrease by \$22,950 thousand and \$4,000 thousand for the years ended December 31, 2019 and 2018, respectively.

3) Other price risk

The Company is exposed to equity price risk through its investments in domestic listed shares.

If equity prices had been 1% higher/lower, the pre-tax other comprehensive income for the years ended December 31, 2019 and 2018 would have increased/decreased by \$4,786 thousand and \$3,463 thousand, respectively, as a result of the changes in fair value of financial assets at FVTOCI.

b. Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company is exposed to credit risk from operating activities, primarily trade receivables, and from investing activities, primarily the fixed-income investments and other financial instruments.

Business related credit risk

The Company is mainly engaged in the operation of real-estate brokerage business and the customers of the Company are the people who buy and sell houses. The revenue from agency service is also received through the housing performance guarantee, so the concentration credit risk of trade receivable is immaterial.

Financial credit risk

The credit risk of bank deposits, fixed-income investments and other financial instruments are regularly controlled and monitored by the Company's Corporate Treasury function. The counterparties to the foregoing financial instruments are reputable financial institutions and business organizations. Management does not expect the Company's exposure to default by those parties to be material.

c. Liquidity risk

The Company's current liability exceeds its current assets of \$642,683 thousand. The Company currently has unused borrowing limit sufficient to meet all contractual obligations, so there is no liquidity risk with being unable to raise funds to perform contractual obligations.

The Company manages liquidity risk by monitoring and maintaining a certain level of cash and cash equivalents deemed adequate to finance the Company's operations and mitigate the effects of fluctuations in cash flows. In addition, management monitors the utilization of bank borrowings and ensures compliance with loan covenants.

The Company relies on bank borrowings as a significant source of liquidity. As of December 31, 2019 and 2018, the Company had available unutilized bank loan facilities as follows:

	<u>December 31</u>	
	<u>2019</u>	<u>2018</u>
Unsecured bank overdraft facility, reviewed annually and payable on call:		
Amount used	\$ 2,600,000	\$ 2,350,000
Amount unused	<u>4,680,000</u>	<u>3,650,000</u>
	<u>\$ 7,280,000</u>	<u>\$ 6,000,000</u>
Secured bank overdraft facility:		
Amount used	\$ 1,700,000	\$ 2,650,000
Amount unused	<u>2,620,000</u>	<u>1,700,000</u>
	<u>\$ 4,320,000</u>	<u>\$ 4,350,000</u>

Liquidity and interest rate risk tables for non-derivative financial liabilities

The following table details the Company's remaining contractual maturities for its non-derivative financial liabilities with agreed upon repayment periods. The table has been drawn up based on the undiscounted cash flows of financial liabilities from the earliest date on which the Company can be required to pay. The table includes both interest and principal cash flows. Specifically, bank loans with a repayment on demand clause were included in the earliest time band regardless of the probability of the banks choosing to exercise their rights. The maturity dates for other non-derivative financial liabilities were based on the agreed upon repayment dates.

December 31, 2019

	On Demand or Less than 1 Month	1 Month to 1 Year	1-5 Years	5+ Years
Non-interest bearing	\$ 313	\$ 1,931,872	\$ 637,514	-
Lease liabilities	34,921	384,038	1,494,529	749,413
Variable interest rate liabilities	-	-	2,300,000	-
Fixed interest rate liabilities	<u>-</u>	<u>-</u>	<u>6,400,000</u>	<u>900,000</u>
	<u>\$ 35,234</u>	<u>\$ 2,315,910</u>	<u>\$ 10,832,043</u>	<u>\$ 1,649,413</u>

Additional information about the maturity analysis for lease liabilities:

	On Demand or Less than 1 Month	1 Month to 1 Year	1-5 Years	5-10 Years	10-20 Years
Lease liabilities	<u>\$ 34,921</u>	<u>\$ 384,038</u>	<u>\$ 1,494,529</u>	<u>\$ 741,146</u>	<u>\$ 8,267</u>

December 31, 2018

	On Demand or Less than 1 Month	1 Month to 1 Year	1-5 Years
Non-interest bearing	\$ 266	\$ 1,491,246	\$ 489,816
Variable interest rate liabilities	-	-	400,000
Fixed interest rate liabilities	<u>-</u>	<u>1,500,000</u>	<u>9,000,000</u>
	<u>\$ 266</u>	<u>\$ 2,991,246</u>	<u>\$ 9,889,816</u>

28. TRANSACTIONS WITH RELATED PARTIES

Details of transactions between the Company and related parties were disclosed below:

a. Related parties and relationship

<u>Related Party</u>	<u>Relationship with the Company</u>
Sinyi Land Administration Agent Joint Office	Related party in substance
Sinyi Cultural Foundation	Related party in substance
Sinyi Real Estate Appraisal Office	Related party in substance
Yu-Hao Co., Ltd.	Corporate shareholder (direct investment using the equity method)
Sinyi Co., Ltd.	Corporate shareholder (direct investment using the equity method)
Yu-Heng Co., Ltd.	Corporate shareholder (indirect investment using the equity method)
Ken Investment Co., Ltd.	Related party in substance
Sin-Heng Limited.	Related party in substance
Sinyi Public Welfare Foundation	Related party in substance
Sinyi Interior Design Co., Ltd.	Associate
Prospect Hospitality Co., Ltd.	The Company's director is its director
Sinyi Real Estate Consulting Limited	Subsidiaries (Note)
An-Sin Real Estate Management Ltd.	Subsidiaries
Sinyi Global Asset Management Co., Ltd.	Subsidiaries
Jui-Inn Consultants Co., Ltd.	Subsidiaries
Yowoo Technology Inc.	Subsidiaries
Sinyi Culture Publishing Inc.	Subsidiaries
Sinyi Development Inc.	Subsidiaries
An-Shin Real Estate Management Ltd.	Subsidiaries
Sinyi Realty Inc. Japan	Subsidiaries
Tokyo Sinyi Real Estate Co., Ltd.	Subsidiaries
FIDELITY PROPERTY CONSULTANT SDN. BHD.	Subsidiaries
Heng-Yi Intelligent Technology Inc. (Heng-Yi)	Subsidiaries
Da-Chia Construction Co., Ltd.	Subsidiaries
Sinyi Real Estate Limited	Subsidiaries
Kunshan Dingxian Trading Co., Ltd.	Subsidiaries
Sinyi Real Estate (Shanghai) Limited	Subsidiaries
Sinyi Estate Ltd.	Subsidiaries
SAMOA SINYI INTERNATIONAL LIMITED	Subsidiaries
Wu Pu Co., Ltd.	Subsidiaries

Sinyi Real Estate Consulting Limited was originally a related party in substance of the Company. The Company acquired 100% of its ownership on June 15, 2018 and thus it became a subsidiary.

b. Trade receivables from related parties

	<u>December 31</u>	
	<u>2019</u>	<u>2018</u>
An-Sin Real Estate Management Ltd.	<u>\$ 153,675</u>	<u>\$ 132,482</u>

Trade receivables from related parties represent amounts collected on behalf of the Company. The related parties will transfer the amount to the Company after closing the deals.

c. Other receivables from related parties

	December 31	
	2019	2018
Other related parties		
Related parties in substance	\$ 1,285	\$ 1,269
Subsidiaries		
Sinyi Global Asset Management Co., Ltd.	1,492	1,096
Sinyi Development Inc.	2,887	5,910
An-Shin Real Estate Management Ltd.	1,385	1,150
Sinyi Realty Inc. Japan	1,945	2,357
Yowoo Technology Inc.	2,315	-
Others	<u>1,850</u>	<u>2,131</u>
	<u>\$ 13,159</u>	<u>\$ 13,913</u>

Other receivables from related parties are mainly management consulting services receivable and rental receivable.

d. Other payables to related parties

	December 31	
	2019	2018
Other related parties		
Related parties in substance	\$ 1,243	\$ 1
Subsidiaries		
Sinyi Real Estate Consulting Limited	12,527	10,750
Yowoo Technology Inc.	4,198	-
Sinyi Global Asset Management Co., Ltd.	7,856	14,347
An-Sin Real Estate Management Ltd.	1,914	1,388
Others	<u>392</u>	<u>292</u>
	<u>\$ 28,130</u>	<u>\$ 26,778</u>

e. Compensation of key management personnel

	For the Year Ended December 31	
	2019	2018
Short-term employee benefits	\$ 80,226	\$ 73,955
Other long-term employee benefits	<u>12,127</u>	<u>11,193</u>
	<u>\$ 92,353</u>	<u>\$ 85,148</u>

Other long-term employee benefits included a long-term incentive plan approved by the Company's board of directors to encourage senior management to contribute further to the sustainable growth of the Company. Senior managers will be entitled to such incentive when they continue to serve for three years starting from the following year after obtaining the qualification and the bonus is calculated on the basis of the Company's operating performance or individual performance.

f. Other transactions with related parties

1) Rental income

	For the Year Ended December 31	
	2019	2018
Other related parties		
Related parties in substance	\$ 7,387	\$ 7,407
Corporate shareholder (direct investment using the equity method)	114	114
Corporate shareholder (indirect investment using the equity method)	57	57
Associates	34	34
Subsidiaries		
An-Shin Real Estate Management Ltd.	6,714	6,730
Sinyi Real Estate Consulting Limited	4,167	4,162
Sinyi Development Inc.	3,816	2,838
Others	<u>1,605</u>	<u>5,531</u>
	<u>\$ 23,894</u>	<u>\$ 26,873</u>

The rental rates are based on the prevailing rates in the surrounding area. The Company collects rentals from related parties on a monthly basis.

2) Other benefits

	For the Year Ended December 31	
	2019	2018
Other related parties		
Related parties in substance	\$ 1,012	\$ 1,490
Subsidiaries		
Sinyi Development Inc.	9,415	9,349
Sinyi Realty Inc. Japan	6,199	5,791
An-Shin Real Estate Management Ltd.	4,601	3,496
Sinyi Global Asset Management Co., Ltd.	3,799	3,510
Others	<u>6,203</u>	<u>7,947</u>
	<u>\$ 31,229</u>	<u>\$ 31,583</u>

Other benefit is mainly derived from management consulting services provided to the related parties and their income.

3) Professional fees

	<u>For the Year Ended December 31</u>	
	2019	2018
Other related party		
Related parties in substance	\$ 1,268	\$ 599
Subsidiaries		
Sinyi Real Estate Consulting Limited	122,181	111,622
An-Sin Real Estate Management Ltd.	20,765	17,747
Others	<u>25,926</u>	<u>398</u>
	<u>\$ 170,140</u>	<u>\$ 130,366</u>

Professional fee is mainly payment for services related to instructions of real estate, real estate registration and cadaster access service, etc.

4) Lease agreement

	<u>December 31</u>	
	2019	2018
Lease liabilities - related parties in substance	<u>\$ 25,659</u>	<u>\$ -</u>

	<u>For the Year Ended December 31</u>	
	2019	2018
<u>Interest expense</u>		
Related parties in substance	<u>\$ 392</u>	<u>\$ -</u>
<u>Rental expense</u>		
Related parties in substance	<u>\$ -</u>	<u>\$ 7,673</u>

As of December 31, 2018, the minimum lease payment for the Group's operating leases for related parties is \$35,489 thousand.

5) Endorsement and guarantee

As of December 31, 2019, the Company endorsed and guaranteed Sinyi Real Estate (Hong Kong)'s bank loan for \$1,169,200 thousand. As of December 31, 2018, the Company endorsed and guaranteed Sinyi International's bank loan for \$165,861 thousand.

6) Property transactions

The Company acquired 100% equity of Sinyi Real Estate Consulting Limited from Sinyi Co., Ltd. and Yu-Hao Co., Ltd. with an amount of \$8,000 thousand in June 2018. Refer to Note 31 of the Company's consolidated financial statements for the year ended December 31, 2019.

29. MORTGAGE OR PLEDGED ASSETS

The Company's assets mortgaged or pledged as collateral for bank loans, other financial institutions or other contracts were as follows:

	December 31	
	2019	2018
Property, plant and equipment (including investment properties)		
Land	\$ 4,191,664	\$ 4,241,789
Building	416,351	456,691
Other financial assets - current		
Restricted bank deposits	110,326	-
Pledged time deposits	<u>5,000</u>	<u>5,000</u>
	<u>\$ 4,723,341</u>	<u>\$ 4,703,480</u>

Restricted bank deposits are offshore funds in the segregated foreign exchange deposit account which were repatriated by the Company in accordance with The Management Utilization, and Taxation of Repatriated Offshore Funds Act.

30. SIGNIFICANT CONTINGENCIES AND UNRECOGNIZED COMMITMENTS

- a. The Company is involved in claims that arise in the ordinary course of brokerage and escrow business; the other party may claim against the Company through legal proceedings. On the basis of past experience and consultations with legal counsel, management of the Company has measured the possible effects of the contingent lawsuits on its financial condition in brokerage and escrow business.
- b. Guarantee notes submitted as guarantees for real-estate brokerage business amounted to \$5,000 thousand.
- c. The Company has endorsed Sinyi Real Estate (Hong Kong) in obtaining financing limit of \$1,169,200 thousand. Refer to Note 32, Table 2 for the details.

31. EXCHANGE RATE OF FINANCIAL ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The significant financial assets and liabilities, denominated in foreign currencies were as follows:

	December 31, 2019		
	Foreign Currencies (In Thousands)	Exchange Rate	New Taiwan Dollars (In Thousands)
<u>Financial assets</u>			
Monetary items			
USD	\$ 3,766	29.980	\$ 112,905
MRY	4,455	7.330	32,654
Non-monetary items			
USD	20,954	29.980	628,186
MRY	157,289	7.330	1,152,946

	December 31, 2018		
	Foreign Currencies (In Thousands)	Exchange Rate	New Taiwan Dollars (In Thousands)
<u>Financial assets</u>			
Monetary items			
USD	\$ 28,260	30.715	\$ 867,998
Non-monetary items			
USD	19,484	30.715	598,441
MYR	2,477	7.110	17,616

The Company is mainly exposed to foreign currency risk from USD. The following information was aggregated by the functional currencies of the Company, and the exchange rates between respective functional currencies and the presentation currency were disclosed. The realized and unrealized foreign exchange gains (losses) for the years ended December 31, 2019 and 2018, respectively, were as follows:

Functional Currencies	For the Year Ended December 31			
	2019		2018	
	Exchange Rate	Net Foreign Exchange Gain	Exchange Rate	Net Foreign Exchange Gain
NTD	(NTD:NTD)	<u>\$ 3,878</u>	1 (NTD:NTD)	<u>\$ 2,965</u>

32. SEPARATELY DISCLOSED ITEMS

Information on significant transactions and information on investees:

- a. Financing provided: Table 1 (see the attached)
- b. Endorsements/guarantees provided to others: Table 2 (see the attached)
- c. Marketable securities held (excluding investment in subsidiaries, associates and joint controlled entities): Table 3 (see the attached)
- d. Marketable securities acquired or disposed of at costs or prices of at least NT\$300 million or 20% of the paid-in capital: Table 4 (see the attached)
- e. Acquisition of individual real estate at costs of at least NT\$300 million or 20% of the paid-in capital: Table 5 (see the attached)
- f. Disposal of individual real estate at prices of at least NT\$100 million or 20% of the paid-in capital: None
- g. Total purchases from or sales to related parties of at least NT\$100 million or 20% of the paid-in capital: None
- h. Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital: Table 6 (see the attached)
- i. Trading in derivative instruments: None
- j. Information on investees: Table 7 (see the attached)

Information on investments in mainland China:

- a. Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, shareholding ratio, investment gain or loss, carrying amount of the investment at the end of the period, repatriated investment gains, and limit on the amount of investment in the mainland China area: Table 8 (see the attached)
- b. Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses:
 - 1) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period: None
 - 2) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period: None
 - 3) The amount of property transactions and the amount of the resultant gains or losses: None
 - 4) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes: Table 2 (see the attached)
 - 5) The highest balance, the end of period balance, the interest rate range, and total current period interest with respect to financing of funds: Table 1 (see the attached)
 - 6) Other transactions that have a material effect on the profit or loss for the year or on the financial position, such as the rendering or receiving of services: None

33. SEGMENT INFORMATION

The Company had disclosures of segment information in accordance with Regulations in the consolidated financial statements as of and for the years ended December 31, 2019 and 2018. The disclosure of segment information is not required for the financial statements.

TABLE 1

SINYI REALTY INC.

**FINANCING PROVIDED
FOR THE YEAR ENDED DECEMBER 31, 2019
(In Thousands of New Taiwan Dollars)**

No.	Financing Company	Borrower	Financial Statement Account	Related Parties	Maximum Balance for the Year	Ending Balance	Actual Appropriation	Interest Rate	Type of Financing	Transaction Amounts	Reasons for Short-term Financing	Allowance for Doubtful Accounts	Ending Balance of Collateral		Financing Limit for Each Borrowing Company	Financing Company's Financing Amount Limits
													Item	Value		
0	Sinyi Realty Inc.	Hua Yun Renovation (Shanghai) Co., Ltd.	Other receivables	Yes	\$ 912,000 (RMB 200,000 thousand)	\$ 430,500 (RMB 100,000 thousand)	\$ -	1.15%	Short-term financing	\$ -	Needs for operation	\$ -	-	\$ -	\$ 3,262,911 (Note 1)	\$ 4,350,548 (Note 1)
1	Sinyi Real Estate (Shanghai) Limited	Jiu Xin Estate (Wuxi) Limited	Other receivables	Yes	192,318 (RMB 42,000 thousand)	94,710 (RMB 22,000 thousand)	94,710 (RMB 22,000 thousand)	4.75%	Short-term financing	-	Needs for operation	-	-	-	4,924,010 (Note 2)	7,386,015 (Note 2)
		LUNHENG Business Management (Shanghai) Ltd	Other receivables	Yes	69,045 (RMB 15,000 thousand)	64,575 (RMB 15,000 thousand)	64,575 (RMB 15,000 thousand)	4.75%	Short-term financing	-	Needs for operation	-	-	-	4,924,010 (Note 2)	7,386,015 (Note 2)
		Sin Yeh Enterprise Management (Shanghai) Ltd	Other receivables	Yes	3,590,340 (RMB 780,000 thousand)	-	-	4.75%	Short-term financing	-	Needs for operation	-	-	-	4,924,010 (Note 2)	7,386,015 (Note 2)
2	Hua Yun Renovation (Shanghai) Co., Ltd.	LUNHENG Business Management (Shanghai) Ltd	Other receivables	Yes	34,983 (RMB 7,600 thousand)	32,718 (RMB 7,600 thousand)	32,718 (RMB 7,600 thousand)	4.75%	Short-term financing	-	Needs for operation	-	-	-	13,292,700 (Note 3)	19,939,050 (Note 3)
		Sin Yeh Enterprise Management (Shanghai) Ltd	Other receivables	Yes	23,015 (RMB 5,000 thousand)	-	-	4.75%	Short-term financing	-	Needs for operation	-	-	-	13,292,700 (Note 3)	19,939,050 (Note 3)
		Suzhou Sinyi Real Estate Inc.	Other receivables	Yes	912,000 (RMB 200,000 thousand)	430,500 (RMB 100,000 thousand)	-	4.75%	Short-term financing	-	Needs for operation	-	-	-	13,292,700 (Note 3)	19,939,050 (Note 3)
3	Shanghai Sinyi Real Estate Inc.	Sin Yeh Enterprise Management (Shanghai) Ltd	Other receivables	Yes	46,030 (RMB 10,000 thousand)	-	-	4.75%	Short-term financing	-	Needs for operation	-	-	-	1,105,152 (Note 4)	2,210,304 (Note 4)
4	Kunshan Dingxian Trading Co., Ltd.	Sin Yeh Enterprise Management (Shanghai) Ltd	Other receivables	Yes	452,100 (RMB 100,000 thousand)	430,500 (RMB 100,000 thousand)	-	4.75%	Short-term financing	-	Needs for operation	-	-	-	1,143,740 (Note 5)	1,715,610 (Note 5)
5	Shanghai Shang Tuo Investment Management Consulting Inc.	Sin Yeh Enterprise Management (Shanghai) Ltd	Other receivables	Yes	27,618 (RMB 6,000 thousand)	-	-	4.75%	Short-term financing	-	Needs for operation	-	-	-	131,187 (Note 6)	218,645 (Note 6)
6	Suzhou Sinyi Real Estate Inc.	Kunshan Dingxian Trading Co., Ltd.	Other receivables	Yes	452,100 (RMB 100,000 thousand)	430,500 (RMB 100,000 thousand)	-	4.75%	Short-term financing	-	Needs for operation	-	-	-	812,910 (Note 7)	1,354,850 (Note 7)
		Sin Yeh Enterprise Management (Shanghai) Ltd	Other receivables	Yes	912,000 (RMB 200,000 thousand)	-	-	4.75%	Short-term financing	-	Needs for operation	-	-	-	812,910 (Note 7)	1,354,850 (Note 7)

Note 1: The maximum total financing provided should not exceed 40% of Sinyi Realty Inc.'s net worth. The individual lending amount should not exceed 30% of Sinyi Realty Inc.'s net worth.

Note 2: The maximum total financing provided should not exceed 150% of Sinyi Real Estate (Shanghai) Limited's net worth. The individual lending amount should not exceed 100% of Sinyi Real Estate (Shanghai) Limited's net worth.

Note 3: The maximum total financing provided should not exceed 150 times of Hua Yun Renovation (Shanghai) Co., Ltd.'s net worth. The individual lending amount should not exceed 100 times of Hua Yun Renovation (Shanghai) Co., Ltd.'s net worth.

(Continued)

Note 4: The maximum total financing provided should not exceed 300% of Shanghai Sinyi Real Estate Inc.'s net worth. The individual lending amount should not exceed 150% of Shanghai Sinyi Real Estate Inc.'s net worth.

Note 5: The maximum total financing provided should not exceed 15 times of Kunshan Dingxian Trading Co., Ltd.'s net worth. The individual lending amount should not exceed 10 times of Kunshan Dingxian Trading Co., Ltd.'s net worth.

Note 6: The maximum total financing provided should not exceed 5 times of Shanghai Shang Tuo Investment Management Consulting Inc.'s net worth. The individual lending amount should not exceed 3 times of Shanghai Shang Tuo Investment Management Consulting Inc.'s net worth.

Note 7: The maximum total financing provided should not exceed 5 times of Suzhou Sinyi Real Estate Inc.'s net worth. The individual lending amount should not exceed 3 times of Suzhou Sinyi Real Estate Inc.'s net worth.

(Concluded)

SINYI REALTY INC.

**ENDORSEMENT/GUARANTEE PROVIDED TO OTHERS
FOR THE YEAR ENDED DECEMBER 31, 2019
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

No.	Endorser/Guarantor	Guaranteed Party		Limits on Endorsement/ Guarantee Amount Provided to Each Guaranteed Party	Maximum Balance for the Year	Ending Balance	Actual Appropriation	Amount of Endorsement/ Guarantee Collateralized by Properties	Ratio of Accumulated Endorsement/ Guarantee to Net Equity Per Financial Statement (%)	Maximum Total Endorsement/ Guarantee Allowed to Be Provided by the Endorser/ Guarantor	Guarantee Given by Parent on Behalf of Subsidiaries	Guarantee Given by Subsidiaries on Behalf of the Company	Guarantee Given on Behalf of Companies in Mainland China	Note
		Name	Nature of Relationship											
0	Sinyi Realty Inc.	Samoa Sinyi International Limited	Indirect subsidiary	\$ 8,701,096 (Note 1)	\$ 170,640 (US\$ 5,400 thousand)	\$ -	\$ -	\$ -	-	\$ 16,314,555 (Note 1)	Yes	No	No	(Note 4)
		Sinyi Real Estate (Hong Kong) Limited	Indirect subsidiary	8,701,096 (Note 1)	1,224,210 (US\$ 39,000 thousand)	1,169,220 (US\$ 39,000 thousand)	-	-	10.75	16,314,555 (Note 1)	Yes	No	No	(Note 4)
1	Sinyi Real Estate (Shanghai) Ltd.	SinYeh Enterprise Management (Shanghai) limited	Indirect subsidiary	3,939,208 (Note 2)	91,520 (RMB 20,000 thousand)	-	-	-	-	4,929,010 (Note 2)	No	No	Yes	(Note 5)
2	Jiu Xin Estate (Wuxi) Limited	Kunshan Dingxian Trading Co., Ltd.	Business dealings	4,537,772 (Note 3)	19,345 (RMB 4,242 thousand)	18,262 (RMB 4,242 thousand)	18,262 (RMB 4,242 thousand)	-	0.32	5,672,216 (Note 3)	No	No	Yes	(Note 6)

Note 1: For those subsidiaries Sinyi Realty Inc. has over 50% ownership directly or indirectly, the limit of endorsement/guarantee amount for each guaranteed party should not exceed 80% of Sinyi Realty Inc.'s net worth. The maximum total endorsement/guarantee should not exceed 150% of Sinyi Realty Inc.'s net worth.

Note 2: For those subsidiaries Sinyi Real Estate (Shanghai) Limited has over 80% of ownership directly or indirectly, the limit of endorsement/guarantee amount for each guaranteed party should not exceed 80% of Sinyi Real Estate (Shanghai) Limited's net worth. The maximum total endorsement/guarantee should not exceed 100% of Sinyi Real Estate (Shanghai) Limited's net worth.

Note 3: For those subsidiaries which Jiu Xin Estate (Wuxi) Limited has over 80% of ownership directly or indirectly, the limit of endorsement/guarantee amount for each guaranteed party should not exceed 80% of Jiu Xin Estate (Wuxi) Limited's net worth. The maximum total endorsement/guarantee should not exceed 100% of Jiu Xin Estate (Wuxi) Limited's net worth.

Note 4: The endorsement was provided for applying for line of credit.

Note 5: The endorsement was provided for meeting the criteria of tender of land.

Note 6: The endorsement was provided for procurement of construction materials.

TABLE 3

SINYI REALTY INC.

**MARKETABLE SECURITIES HELD (EXCLUDING INVESTMENT IN SUBSIDIARIES, ASSOCIATES AND JOINT CONTROLLED ENTITIES)
FOR THE YEAR ENDED DECEMBER 31, 2019
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

Holding Company Name	Marketable Securities Type and Name	Relationship with the Holding Company	Financial Statement Account	December 31, 2019				Note
				Shares/Units	Carrying Value	Percentage of Ownership (%)	Market Value or Net Asset Value	
Sinyi Realty Inc.	<u>Listed shares</u> E.SUN Financial Holding Co., Ltd.	-	Financial assets at fair value through other comprehensive income - current	13,730,751	\$ 383,088	-	\$ 383,088	
	<u>Unlisted shares</u> Han Yu Venture Capital Co., Ltd.	-	Financial assets at fair value through other comprehensive income - non-current	5,000,000	43,095	11.0	43,095	
	NOWnews Network Co., Ltd.	-	Financial assets at fair value through other comprehensive income - non-current	3,157,000	52,437	10.0	52,437	
	PChome Investment Co., Ltd.	-	Financial assets at fair value through other comprehensive income - non-current	196,350	-	8.0	-	
	Kun Gee Venture Capital Co., Ltd.	-	Financial assets at fair value through other comprehensive income - non-current	160,650	-	3.0	-	
	Cite' Publishing Holding Ltd.	-	Financial assets at fair value through other comprehensive income - non-current	7,637	-	1.0	-	
	Cite' Information Services Co., Ltd.	-	Financial assets at fair value through other comprehensive income - non-current	106,392	-	1.0	-	
Sinyi Limited	<u>Listed shares</u> Orix Corp.	-	Financial assets at fair value through other comprehensive income - current	1,180,800	590,125	-	590,125	
	<u>Monetary market fund</u> Western Asset US Dollar Fund A	-	Financial assets at fair value through profit or loss - current	14,390	431	-	431	
Shanghai Sinyi Real Estate Inc.	<u>Listed shares</u> 5i5j Holding Group Co., Ltd.	-	Financial assets at fair value through other comprehensive income - current	1,410,230	26,166	4.7	26,166	

(Continued)

Holding Company Name	Marketable Securities Type and Name	Relationship with the Holding Company	Financial Statement Account	December 31, 2019				Note
				Shares/Units	Carrying Value	Percentage of Ownership (%)	Market Value or Net Asset Value	
Shanghai Sinyi Real Estate Inc.	<u>Unlisted shares</u> Cura Investment Management (Shanghai) Co., Ltd.	-	Financial assets at fair value through other comprehensive income - non-current	30,000,000	\$ 254,426	2.0	\$ 254,426	
Sinyi Development Inc.	<u>Listed shares</u> CTCI Corporation	-	Financial assets at fair value through profit or loss - current	170,940	6,513	-	6,513	
Snyi Global Asset Management Co., Ltd.	<u>Monetary market fund</u> Taishin 1699 Money Market Fund	-	Financial assets at fair value through profit or loss - current	1,174,851	15,959	-	15,959	
An-Sin Real Estate Management Ltd.	<u>Monetary market fund</u> Taishin 1699 Money Market Fund	-	Financial assets at fair value through profit or loss - current	2,729,416	37,077	-	37,077	
Ke Wei Shanghai Real Estate Management Consulting Inc.	<u>Financial product</u> Bubu Shengking No. 8688	-	Financial assets at fair value through profit or loss - current	700,000	3,585	-	3,585	
Shanghai Shang Tuo Investment Management Consulting Inc.	Bubu Shengking No. 8688	-	Financial assets at fair value through profit or loss - current	50,000	248	-	248	
Beijing Sinyi Real Estate Ltd.	Bank of China Steady Growth -Daily Plan	-	Financial assets at fair value through profit or loss - current	2,440,000	10,820	-	10,820	

(Concluded)

SINYI REALTY INC.

MARKETABLE SECURITIES ACQUIRED OR DISPOSED OF AT COSTS OR PRICES OF AT LEAST NT\$300 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2019
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Company Name	Marketable Securities Type and Name	Financial Statement Account	Counterparty	Nature of Relationship	Beginning Balance		Acquisition		Disposal				Ending Balance	
					Shares/Units	Amount	Shares/Units	Amount	Shares/Units	Amount	Costs (Note 2)	Gain or Loss	Shares/Units	Amount
Sinyi Realty Inc.	Shares SIN CHIUN HOLDING SDN. BHD	Investments accounted for using equity method	-	Subsidiary	6,537,766	\$ 49,140 (Note 1)	157,000,000	\$ 1,158,768	-	\$ -	\$ -	\$ -	159,537,766	\$ 1,234,908 (Note 1)
Sinyi Real Estate (Shanghai) Limited	Shares SinYeh Enterprise Management (Shanghai) limited	Investments accounted for using equity method	-	Subsidiary	-	-	-	1,820,900	-	-	-	-	-	1,820,900 (Note 1)
Sinyi Real Estate (Shanghai) Limited	Financial product Yeh-de-yin No. 18100787	Financial assets at fair value through profit or loss - current	-	-	120,000,000	RMB 120,026	-	RMB -	120,000,000	RMB 121,195	RMB 121,195	RMB -	-	RMB -
	Structured Financial Product (Product ID: 201810294860)	Financial assets at fair value through profit or loss - current	-	-	240,000,000	RMB 240,503	-	RMB -	240,000,000	RMB 243,003	RMB 243,003	RMB -	-	RMB -
	Structured Financial Product (Product ID: 201811194978)	Financial assets at fair value through profit or loss - current	-	-	200,000,000	RMB 200,293	-	RMB -	200,000,000	RMB 202,274	RMB 202,274	RMB -	-	RMB -
	Fortune Shuttle No.3	Financial assets at fair value through profit or loss - current	-	-	470,000,000	RMB 470,167	-	RMB -	470,000,000	RMB 474,428	RMB 474,428	RMB -	-	RMB -
	Fortune Shuttle No.S21	Financial assets at fair value through profit or loss - current	-	-	-	RMB -	711,000,000	RMB 711,000	711,000,000	RMB 712,248	RMB 712,248	RMB -	-	RMB -
SinYeh Enterprise Management (Shanghai) limited	Financial product Fortune Shuttle No.S21	Financial assets at fair value through profit or loss - current	-	-	-	RMB -	1,189,500,000	RMB1,189,500	1,189,500,000	RMB1,193,347	RMB1,193,347	RMB -	-	RMB -

Note 1: The ending balance presents historical cost.

Note 2: The ending balance includes the final evaluation amount.

SINYI REALTY INC. AND SUBSIDIARIES

**ACQUISITION OF INDIVIDUAL REAL ESTATE AT PRICES OF AT LEAST NT\$300 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2019**

(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Buyer	Property	Event Date	Transaction Amount	Amount Payment	Counterparty	Relationship	The Former Transfer Information If the Counterparty Is A Related Party				Price Reference	Purpose of Acquisition	Other Terms
							Owner	The Relationship with the Company	Date of Transfer	Amount			
SIN CHIUN HOLDING SDN. BHD.	Right-of-use of land at Pulau Mengalum, Sabah, in Malaysia	September 18, 2019	\$ 980,100 (MYR 137,500 thousand)	100% of the total price has been paid	Mengalum Beach Centre Sdn. Bhd.	-	-	-	-	\$ -	According to the appraisal report, the amount of MYR141,000 thousand.	Development of real estate for tourism.	-
	Right-of-use of land at Pulau Mengalum, Sabah, in Malaysia	December 30, 2019	598,125 (MYR 82,500 thousand)	10% of the total price has been paid	Mengalum Tours & Dive Resort Sdn. Bhd.	-	-	-	-	-	According to the appraisal report, the amount of MYR84,100 thousand.	Development of real estate for tourism.	-

SINYI REALTY INC.

**RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2019
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

Company Name	Nature of Relationships	Related Party	Ending Balance	Turnover Date	Overdue		Amounts Received in Subsequent Period	Allowance for Bad Debts
					Amount	Action Taken		
Sinyi Realty Inc.	An-Sin Real Estate Management Ltd.	Subsidiary	\$ 153,675	-	\$ -	-	\$ 153,675	\$ -

TABLE 7

SINYI REALTY INC.

INFORMATION ON INVESTEEES
FOR THE YEAR ENDED DECEMBER 31, 2019
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investor Company	Investee Company	Location	Main Businesses and Products	Investment Amount		Balance as of December 31, 2019			Net Income (Loss) of the Investee	Investment Income (Loss) Recognized	Note
				Ending Balance	Beginning Balance	Shares	Percentage of Ownership (%)	Carrying Value			
Sinyi Realty Inc.	Samoa Sinyi International Limited	Equity Trust Chamber, P.O. Box 3269, Apia, Samoa	Investment holding	\$ 10,406,773	\$ 10,406,773	345,238,037	100	\$ 11,241,168	\$ 190,298	\$ 190,298	
	Sinyi Limited (B.V.I.)	4th Floor, Ellen Skelton Building, 3076 Sir Francis Drake Highway, Road Town, Tortola VG1110, B. V. I.	Investment holding	2,227,354	2,103,724	68,777,000	100	1,377,377	(134,676)	(134,676)	
	Sinyi Development Inc.	No. 100, Sinyi Rd., Sec. 5, Sinyi District, Taipei City, Taiwan	Development, construction, rental and sale of residential building and factories	2,035,005	2,035,005	203,500,000	100	1,800,618	(153,355)	(153,355)	
	Sinyi Global Asset Management Co., Ltd.	No. 100, Sinyi Rd., Sec. 5, Sinyi District, Taipei City, Taiwan	Real estate brokerage	29,180	29,180	5,000,000	100	86,406	18,749	18,749	
	Heng-Yi Intelligent Technology Inc.	No. 100, Sinyi Rd., Sec. 5, Sinyi District, Taipei City, Taiwan	Information software, data processing and electronic information providing service	21,000	15,000	2,100,000	75	3,569	(10,152)	(7,514)	
	Jui-Inn Consultants Co., Ltd.	No. 100, Sinyi Rd., Sec. 5, Sinyi District, Taipei City, Taiwan	Management consulting	5,000	5,000	500,000	100	1,068	(80)	(80)	
	Sinyi Culture Publishing Inc.	No. 100, Sinyi Rd., Sec. 5, Sinyi District, Taipei City, Taiwan	Publication	4,960	4,960	-	99	2,205	195	193	
	An-Sin Real Estate Management Ltd.	No. 100, Sinyi Rd., Sec. 5, Sinyi District, Taipei City, Taiwan	Real estate management	25,500	25,500	7,650,000	51	116,202	29,612	15,102	
	Sinyi Interior Design Co., Ltd.	No. 100, Sinyi Rd., Sec. 5, Sinyi District, Taipei City, Taiwan	Interior design	950	950	95,000	19	15,774	433	83	
	Yowoo Technology Inc.	No. 100, Sinyi Rd., Sec. 5, Sinyi District, Taipei City, Taiwan	Information software, data processing and electronic information providing service	193,000	135,000	10,000,000	100	25,700	(41,249)	(41,249)	
Rakuya International Info. Co., Ltd.	12F No. 105, Dunhua S. Rd., Sec. 2, Daan District, Taipei City, Taiwan	Information software wholesale and retail	19,076	19,076	2,580,743	23	16,126	6,408	1,442		
SIN CHIUN HOLDING SDN. BHD.	Suite 9-13A, Level 9, Wisma Uoa II, Jalan Pinang, 50450 Kuala Lumpur, Malaysia	Investment holding	1,234,908	49,140	163,537,766	100	1,152,946	(16,308)	(16,308)		
Sinyi Real Estate Consulting Limited	No. 100, Sinyi Rd., Sec. 5, Sinyi District, Taipei City, Taiwan	Production of instructions of real estate	8,000	8,000	500,000	100	3,517	4,255	4,255		
Sinyi International Limited (Samoa)	Forever Success International Limited (Mauritius)	3rd Floor, Standard Chartered Tower, 19 Cybercity, Ebene, Mauritius.	Investment holding	68,741	68,741	2,216,239	100	177,275	148,889	148,889	
	Sinyi Realty Inc. Japan	2nd Floor, Shoritsu Building 2-7-1 Yoyogi Shibuya-ku, Tokyo, Japan	Real estate brokerage, management and identification	58,064	58,064	16,000	100	310,995	35,704	35,704	
	Sinyi Development Ltd.	TMF Chambers, P.O. Box 3269, Apia Samoa	Investment holding	3,919,127	3,919,127	133,506,209	100	5,047,635	182,516	182,516	
	Sinyi Estate Ltd.	TMF Chambers, P.O. Box 3269, Apia Samoa	Investment holding	6,360,046	6,360,046	208,500,000	100	5,716,603	(165,289)	(165,289)	
Sinyi Limited (B.V.I.)	Inane International Limited (B.V.I.)	4th Floor, Ellen Skelton Building, 3076 Sir Francis Drake Highway, Road Town, Tortola VG1110, B. V. I.	Investment holding	1,647,792	1,493,092	51,935,840	100	737,056	(133,850)	(133,850)	
	Ke Wei HK Realty Limited	Rooms 2103, Futura Plaza, 111 How Ming Street, Kwun Tong, HK	Investment holding	95,129	95,129	2,675,000	99	(203)	(11,989)	(11,871)	
Inane International Limited (B.V.I.)	Max Success International Limited	Palm Grove House, P.O. Box 438, Road Town, Torola, British Virgin Islands	Investment holding	66,174	66,174	1,584,000	100	10,847	-	-	
An-Sin Real Estate Management Ltd.	An-Shin Real Estate Management Ltd.	No. 100, Sinyi Rd., Sec. 5, Sinyi District, Taipei City, Taiwan	Real estate management	100,000	100,000	10,000,000	100	78,708	10,523	10,523	
Sinyi Realty Inc. Japan	Sinyi Management Co., Ltd.	2nd Floor, Shoritsu Building 2-7-1 Yoyogi Shibuya-ku, Tokyo, Japan	Real estate brokerage, management and identification	10,746	10,746	600	100	53,122	10,321	10,321	
	Tokyo Sinyi Real Estate Co., Ltd.	3rd Floor, No. 100, Sinyi Rd., Sec. 5, Sinyi District, Taipei City, Taiwan	Real estate brokerage	5,000	5,000	500,000	100	20,071	3,415	3,415	
Sinyi Development Ltd.	Sinyi Real Estate (Hong Kong) Limited	Room 802, 8 Floor, Millennium City 2, 378 Kwun Tong Road, Kwun Tong, Hong Kong	Investment holding	3,888,107	3,888,107	131,640,306	100	4,932,615	140,556	140,556	
Sinyi Estate Ltd.	Sinyi Estate (Hong Kong) Limited	Unit 2103, Futura Plaza, 111 How Ming Street, Kwun Tong, Kowloon, Hong Kong	Investment holding	6,350,826	6,350,826	207,017,497	100	5,671,739	(165,290)	(165,290)	
Sinyi Development Inc.	Da-Chia Construction Co., Ltd.	No. 100, Sinyi Rd., Sec. 5, Sinyi District, Taipei City, Taiwan	Development, construction, rental and sale of residential building and factories	500	500	50,000	100	146	(57)	(57)	
	Sinyi Real Estate Co., Ltd.	No. 100, Sinyi Rd., Sec. 5, Sinyi District, Taipei City, Taiwan	Development, construction, rental and sale of residential building and factories	500	500	50,000	100	70	(57)	(57)	
SIN CHIUN HOLDING SDN. BHD	FIDELITY PROPERTY CONSULTANT SDN. BHD.	Suite 9-13A, Level 9, Wisma Uoa II, Jalan Pinang, 50450 Kuala Lumpur, Malaysia	Management and identification	33,465	22,604	4,463,949	49	14,151	(9,378)	(4,595)	
	PEGUSUS HOLDING SDN. BHD.	Suite 9-13A, Level 9, Wisma Uoa II, Jalan Pinang, 50450 Kuala Lumpur, Malaysia	Investment holding	35,372	24,030	4,721,100	100	15,702	(4,858)	(4,858)	

(Continued)

Investor Company	Investee Company	Location	Main Businesses and Products	Investment Amount		Balance as of December 31, 2019			Net Income (Loss) of the Investee	Investment Income (Loss) Recognized	Note
				Ending Balance	Beginning Balance	Shares	Percentage of Ownership (%)	Carrying Value			
PEGUSUS HOLDING SDN. BHD.	FIDELITY PROPERTY CONSULTANT SDN. BHD.	Suite 9-13A, Level 9, Wisma Uoa II, Jalan Pinang, 50450 Kuala Lumpur, Malaysia	Management and identification	\$ 34,831	\$ 23,526	4,646,151	51	\$ 14,728	\$ (4,783)	\$ (4,783)	
Yowoo Technology Inc.	Wu Pu Co., Ltd.	No. 100, Sinyi Rd., Sec. 5, Sinyi District, Taipei City, Taiwan	Investment holding	-	500	-	-	-	(66)	(66)	Note
	Heng-Yi Intelligent Technology Inc.	No. 100, Sinyi Rd., Sec. 5, Sinyi District, Taipei City, Taiwan	Information software, data processing and electronic information providing service	7,000	-	700,000	25	1,190	(10,152)	(1,410)	
	Lin Yue Traffic Inc.	No. 100, Sinyi Rd., Sec. 5, Sinyi District, Taipei City, Taiwan	Manpower dispatch and merchandise delivery	11,300	-	3,080,000	100	11,186	22,291	(114)	

Note: The Corporation has been liquidated in November 2019.

(Concluded)

SINYI REALTY INC.

INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE YEAR ENDED DECEMBER 31, 2019
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investee Company Name	Main Businesses and Products	Total Amount of Paid-in Capital	Investment Type	Accumulated Outflow of Investment from Taiwan as of January 1, 2019	Investment Flows		Accumulated Outflow of Investment from Taiwan as of December 31, 2019	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Income (Loss) Recognized (Note 1)	Carrying Value as of December 31, 2019 (Note 2)	Accumulated Inward Remittance of Earnings as of December 31, 2019
					Outflow	Inflow						
Ke Wei Shanghai Real Estate Management Consulting Inc.	Real estate brokerage and management consulting	RMB 19,638	Investment in company located in mainland China indirectly through Ke Wei HK Realty Limited	\$ 81,859	\$ -	\$ -	\$ 81,859	\$ (11,944)	100	\$ (11,944)	\$ (57)	\$ -
Shanghai Sinyi Real Estate Inc. (Note 3)	Real estate brokerage	RMB 293,632	Investment in company located in mainland China indirectly through Inane International Limited	1,140,018	154,400	-	1,294,418	(109,730)	100	(109,730)	736,768	-
Beijing Sinyi Real Estate Ltd. (Note 3)	Real estate brokerage	RMB 34,747	Investment in company located in mainland China indirectly through Inane International Limited	149,955	-	-	149,955	(3,682)	100	(3,682)	(20,443)	-
Shanghai Zhi Xin allograph Ltd.	Real estate brokerage and management consulting	RMB 11,968	Investment in company located in mainland China indirectly through Inane International Limited	17,095	-	-	17,095	(11,937)	100	(11,937)	19,816	-
Suzhou Sinyi Real Estate Inc. (Note 3)	Real estate brokerage and management consulting	RMB 68,000	Investment in company located in mainland China indirectly through Shanghai Sinyi Real Estate Inc.	22,414	-	-	22,414	(21,009)	100	(21,009)	270,970	-
Cura Investment Management (Shanghai) Co., Ltd. (Note 4)	Real estate fund investment management	RMB 1,636,300	Investment in company located in mainland China indirectly through Shanghai Sinyi Real Estate Inc.	-	-	-	-	-	2	-	254,426	-
Zhejiang Sinyi Real Estate Co., Ltd. (Note 3)	Real estate brokerage and management consulting	RMB 27,200	Investment in company located in mainland China indirectly through Shanghai Sinyi Real Estate Inc.	43,766	-	-	43,766	(11,199)	100	(11,199)	9,675	-
Shanghai Shang Tuo Investment Management Consulting Inc.	Real estate brokerage and management consulting	RMB 5,961	Investment in company located in mainland China indirectly through Forever Success International Ltd.	27,432	-	-	27,432	20,884	100	20,884	43,729	-
Chengdu Sinyi Real Estate Co., Ltd. (Note 5)	Real estate brokerage and management consulting	RMB -	Investment in company located in mainland China indirectly through Inane International Limited	62,005	-	-	62,005	-	-	-	-	-
Qingdao Chengjian & Sinyi Real Estate Co., Ltd. (Note 6)	Real estate brokerage and management consulting	RMB -	Investment in company located in mainland China indirectly through Inane International Limited	37,295	-	-	37,295	-	-	-	-	-
Sinyi Real Estate (Shanghai) Limited	Development of commercial and residential building and auxiliary facilities; and construction, rental, sale and property management	RMB 802,513	Investment in company located in mainland China indirectly through Sinyi Real Estate (Hong Kong) Limited	3,868,747	-	-	3,868,747	158,407	100	158,407	4,924,010	1,218,297

(Continued)

Investee Company Name	Main Businesses and Products	Total Amount of Paid-in Capital	Investment Type	Accumulated Outflow of Investment from Taiwan as of January 1, 2019	Investment Flows		Accumulated Outflow of Investment from Taiwan as of December 31, 2019	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Income (Loss) Recognized (Note 1)	Carrying Value as of December 31, 2019 (Note 2)	Accumulated Inward Remittance of Earnings as of December 31, 2019
					Outflow	Inflow						
Hua Yun Renovation (Shanghai) Co., Ltd.	Professional construction, building decoration construction, hard ware, building materials wholesale	RMB 8,000	Investment in company located in mainland China indirectly through Forever Success International Ltd.	\$ 40,465	\$ -	\$ -	\$ 40,465	\$ 128,003	100	\$ 128,003	\$ 132,927	\$ -
Kunshan Dingxian Trading Co., Ltd.	Construction materials, furniture, sanitary ware and ceramic products wholesale	RMB 6,000	Investment in company located in mainland China indirectly through Sinyi Development Ltd.	31,020	-	-	31,020	41,928	100	41,928	114,374	-
Shanghai Chang Yuan Co., Ltd.	Property, business and management consulting	RMB 2,200	Investment in company located in mainland China indirectly through Shanghai Shang Tuo Investment Management Consulting Inc.	-	-	-	-	540	100	540	8,985	-
Jiaying Zhi Zheng Real Estate Marketing Planning Inc.	Real estate marketing planning and management consulting	RMB 100	Investment in company located in mainland China indirectly through Shanghai Sinyi Real Estate Inc.	-	-	-	-	17	100	17	1,039	-
Jiu Xin Estate (Wuxi) Limited	Real estate development	US\$ 207,000	Investment in company located in mainland China indirectly through Sinyi Real Estate (Hong Kong) Limited	3,900,696	-	-	3,900,696	(165,286)	100	(165,286)	5,672,216	-
Suzhou ZHI XIN Real Estate Co., Ltd.	Real estate brokerage and management consulting	RMB 3,000	Investment in company located in Mainland China indirectly through Shanghai ZHI XIN Allograph Ltd	-	-	-	-	(10,207)	100	(10,207)	3,071	-
LUNHENG Business Management (Shanghai) Ltd	Business management consulting, financial advisory and marketing strategy	RMB 11,400	Investment in company located in Mainland China indirectly through Hua Yun Renovation (Shanghai) Co., Ltd.	-	-	-	-	(240)	100	(240)	48,753	-
Xin Yeh Business Administration (Shanghai) Ltd.	Development of commercial and residential building and auxiliary facilities; and construction, rental, sale and property management	RMB 400,000	Investment in company located in Mainland China indirectly through Sinyi Real Estate (Shanghai) Limited.	-	-	-	-	(21,707)	100	(21,707)	1,731,847	-

Accumulated Outflow for Investment in Mainland China as of December 31, 2019	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment (Note 7)
\$9,577,167	\$15,895,093	\$ -

Note 1: The amounts were based on the audited financial statements.

Note 2: The carrying value was converted into New Taiwan dollars at the exchange rates of US\$1=NT\$29.98 and US\$1=RMB6.964 on December 31, 2019.

Note 3: Some of the investments were made indirectly through earnings of the Company's subsidiary in China.

Note 4: Investments were made indirectly through the earnings of the Company's subsidiary in China.

Note 5: The Corporation has been liquidated in June 2019.

Note 6: The Corporation has been liquidated in June 2017.

Note 7: The Company has acquired the certification of operation headquarters issued by the Ministry of Economic Affairs, ROC.

(Concluded)

The financial problems of the Company and its affiliated enterprises found as of the printing date of this Annual Report issuance and the impact of such problems upon the Company's financial standing: Nil.

Chapter Eight. Review of Financial Conditions, Operating Results, and Risk Management

I. Analysis on Consolidated Financial Reports

Expressed in Thousands of New Taiwan Dollars

Item	Year		Change		Reason
	Dec. 31, 2019	Dec. 31, 2018	Amount	%	
Current assets	20,721,029	22,442,820	(1,721,791)	(8)	
Financial assets measured at fair value through other comprehensive income	349,958	393,127	(43,169)	(11)	
Property, plant and equipment	3,495,635	3,553,206	(57,571)	(2)	
Right-of-use assets	4,320,872	-	4,320,872	N.A.	Note 1
Investment assets	2,255,011	2,083,520	171,491	8	
Intangible assets	97,281	115,329	(18,048)	(16)	
Other assets	430,997	256,062	174,935	68	Note 2
Total assets	31,670,783	28,844,064	2,826,719	10	
Current liabilities	4,866,062	7,302,417	(2,436,355)	(33)	Note 3
Non-current liabilities	15,816,690	10,477,414	5,339,276	51	Note 4
Total liabilities	20,682,752	17,779,831	2,902,921	16	
Capital stock	7,368,465	7,368,465	-	-	
Capital surplus	63,896	64,528	(632)	(1)	
Retained earnings	4,031,323	3,772,523	258,800	7	
Other equity	(587,314)	(240,436)	(346,878)	144	Note 5
The equity contributed to the parent company	10,876,370	10,965,080	(88,710)	(1)	Note 5
Non-controlled equity	111,661	99,153	12,508	13	
Total equity	10,988,031	11,064,233	(76,202)	(1)	Note 4
<p>1. Analysis on change with increase/decrease up to 20% with amount up to NT\$10 million in the past two years:</p> <p>Description 1. Right-of-use assets were revalued according to IFRS 16 and items were adjusted accordingly. The new items (and corresponding lease liability items) were mainly the capitalization of leases for branches with lease terms above one year. Meanwhile the Company acquired the right-of-use for the land in Mengalum Island, Malaysia, for NT\$1,048 million in 2019.</p> <p>Description 2. Other assets increased by NT\$175 million, primarily because of (1) an increase of deferred income tax asset by NT\$130 million, as a result of the sale of a portion of inventory by the Company's subsidiary. The corresponding income taxes have been paid but the completion of the handing over the properties was not finished yet. Hence, a deferred income tax asset of NT\$110 million was recognized; (2) an increase of NT\$61 million in non-current assets, because of the NT\$60 million in prepayment for right-of-use for the land in Mengalum Island, Malaysia; (3) a reduction of deposits made by NT\$12 million due to adjustment required by IFRS 16 in 2019.</p> <p>Description 3. Current liabilities declined by NT\$2,436 million, primarily due to the redemption of NT\$1,500 million corporate bonds issued in 2014 and due in June 2019, as well as the reduction of short-term loans for NT\$748 million due to fund procurement.</p> <p>Description 4. Non-current liabilities increased by NT\$5,339 million, mainly because of the increase of non-current lease liability by NT\$2,795 million under the adoption of IFRS 16 since 2019; an increase of long-term loans by NT\$1,502 million due to fund procurement and the issuance of corporate bonds for NT\$900 million due in ten years.</p> <p>Description 5. Other equity was reduced by NT\$347 million, primarily due to cumulative translation adjustment loss of NT\$515 million from the assets held by subsidiaries in China and denominated in RMB. This was partially offset by the unrealized gains of NT\$168 million due to change in fair value of equity investments in CURA Investment, E. Sun Financial Holding Co., Ltd. and Orix.</p> <p>2. Action plan in reaction to the above material changes:</p> <p>There is not material adverse impact on the company and its subsidiaries. Therefore, the Company will continue to control the debt ratio on the consolidated financial report, and arrange a proper plan for use of the bank credit line.</p>					

II. Analysis on financial performance

(I) Comparative Analysis on the operating revenue and net profit before tax over the past two years

Expressed in Thousands of New Taiwan Dollars

Item \ Year	2019	2018	Amount in increase/decrease	Ratio of change %	Description
Net operating revenue	12,438,032	12,902,958	(464,926)	(4)	
Operating cost	8,523,873	8,680,392	(156,519)	(2)	
Gross profit	3,914,159	4,222,566	(308,407)	(7)	
Operating expenses	1,942,601	1,577,664	364,937	23	Note 1
Operating profit	1,971,558	2,644,902	(673,344)	(25)	Note 1
Non-Operating revenues and expenditures	85,128	174,650	(89,522)	(51)	Note 2
Net profit before tax from continuing operations	2,056,686	2,819,552	(762,866)	(27)	Note 1、2
Income tax expense	780,481	1,328,629	(548,148)	(41)	Note 3
Net profit for the year	1,276,205	1,490,923	(214,718)	(14)	Note 1、2、3

Analysis on change with increase/decrease up to 20% with amount up to NT\$10 million in the past two years:

- Operating expenses went up by NT\$365 million, primarily due to more headcounts at the headquarters and some subsidiaries; an increase of bonuses by NT\$217 million in line with the Company's profitability growth; and an increase of advertising and marketing expenditures by NT\$148 million for the development business unit. Meanwhile, operating revenue and operating expenses dropped by NT\$465 million and NT\$157 million, respectively, due to a lower number of houses sold by the development business unit. As a result, operating profits declined by NT\$673 million.
- Net non-operating incomes dropped by NT\$90 million, mainly because of the interest expenses of NT\$71 incurred under the adoption of the IFRS 16 starting in 2019.
- Income tax expenses were reduced by NT\$548 million, primarily due to declining sale and profits of development properties in China and thus the corresponding reduction by NT\$375 million in land appreciation taxes and business income taxes. The income tax expenses for the Company were down by NT\$175 million compared to the previous year. The income tax was up by approximately NT\$72 million due to rising profits in 2019, and being no need to recognize the income tax for the profits remitted from the development business unit in China in 2019.

(II) Anticipated sales volumes and the reasons:

The Company itself is as the agency for selling of real estates and providing sales service of real estate. Thus, no estimation of sale volume was needed.

The main business of the subsidiaries, Sinyi Development Inc. ("Sinyi Development"), Sinyi Real Estate (Shanghai) Limited and Jiu Xin Estate(Wuxi) Limited ("Jiu XinWuxi") is to build houses for selling. Current estimated sale volume of the developing project is as follows:

Expressed in Thousands of New Taiwan Dollars

Subsidiary	Project	Location	Estimated units available for sale	Estimated/actual delivered unit	Sales rate (%) as of 3.31.2020 (note1)	Status
Sinyi Development Inc.	Sinyi Qian-Shi	Tianmu N. Rd., Shilin Dist., Taipei	21	Since 2017	67%	Completion of transactions for some units. Sale of the remaining units ongoing
	Sinyi Jiahe.	Yi-wen Street, Banqiao District, New Taipei City	144	2022	37%	Under the process of construction and sale
	Sinyi Jiahe	Yi-wen First Street, Banqiao District, New Taipei City	129	2024	- (Note 2)	Under planning
Sinyi Real Estate (Shanghai) Limited	Sinyi Jiating	Wang Jia Zhai Road and Fu Hua Road, Jiading District, Shanghai	1,109	Since 2017	98%	Almost all of the units are transferred to the buyers,

Subsidiary	Project	Location	Estimated units available for sale	Estimated/actual delivered unit	Sales rate (%) as of 3.31.2020 (note1)	Status
						the rest are still for sale.
Jiu Xin Estate(Wuxi) Limited	Shan Shui Jiating	Intersection of Zhuangyuan road and DongCheng road, BinHu District, Wuxi City	608	2021~2022	- Note 4	Under the process of construction and sale

Note 1: Sales rate means the number of houses sold/total estimated number of houses to be sold.

Note 2: Construction permit was obtained in January 2020 and the project is currently under planning.

Note 3: The units already sold exclude the units sold to the Company's 100% subsidiary Kunshan Dingshan Trading Co., Ltd.

Note 4: The project is currently under construction and the sale process commenced in the fourth quarter of 2019.

(III) Potential impact upon the future financial standing and the countermeasures

Even though the continuous impact from the government's control and unfavorable external factors over recent years, the domestic real estate market is on the stage of touching the bottom and consolidation. The volume of real estate transaction has been raised since 2016 and the number of property transferred (excluding first-time registrations) for 2019 were 180 thousand with the growth rate of 12% compared to the previous year. By emphasizing the concept of market cultivation and community service, and insisting the improvement of service quality through the innovative and flexible marketing model of "Sinyi comprehensive real estate platform" to integrate the advantages of the branch channels effectively, the Company recorded a growth of 20% in revenue and 30% in operating income.

The Company expects that the government policy remains friendly in 2020, with ongoing urban renewal efforts and support for the rental market. Meanwhile, the US-China trade war and the Taiwan government's policy will continue to attract Taiwanese companies to return fund back to Taiwan. This combined with the long-term low interest rates and there will maintain ample liquidity in the market. Despite the disruption of the COVID-19 pandemic, the prospect of the housing market remains healthy in the long run. The Company shall use the advantage stated in the previous paragraph to enhance its competitiveness and attract the excellent talented with sound system and welfare to continue to innovate and to refine the service quality and improve the productivity of the employees and market share.

In 2019, the Company's real estate development subsidiaries not only continued to sell the inventory of the "Sinyi Jiating" project, but also emphasized the development and pre-sale of "Shanshui Jiating" project by committing to the same quality, design and architecture philosophy of in order to create a landmark development in Wuxi. In addition to the continued sale of the inventory for the project Sinyi Qian-Shi, Sinyi Development also takes the unique advantage of green tree view of 435 Art & Culture Special Zone in Banqiao District with the planning and construction of a residential and commercial building by incorporating the elements of community creation and leveraging its cultural and natural landscape and proximity with Xinhai Wetland Park. This project strives to design and build a heritage building with humanistic well-to-do and the mixed residential and commercial building to promote the prosperity of the local reconsolidated area, by instilling vitality to the amenity and infrastructure in the communities. As for the real estate brokerage in mainland China, in response to the China government's housing market policy, the focus in 2020 will remain putting new hires into the permanent payroll, reduction of staff turnovers and enhancement of productivity per person and per store to mitigate the risks of market uncertainty. In Japan and Malaysia, we continue to refer customers for the opportunities to purchase local properties and also have established local presence with branch stores to provide local clients with high-quality real estate brokerage service.

The global economic and other activities are being severely disrupted by the COVID-19 pandemic. The Company and its subsidiaries will also be affected to a certain degree in the immediate term. In addition to stepping up our efforts in curbing the virus and conducting drills for the protection of our customers and colleagues, we are also preparing to adjust our service model by using our online marketing methods, increasing remote interactions with customers to enhance online-to-offline connections.

III. Analysis on cash flow

(I) Analysis on currency in cash flow in most recent years. (Based on consolidated financial report)

In Thousands of New Taiwan Dollars

Item \ Year	2019	2018	Increase/decrease ratio%
Cash flow ratio%	119.65%	26.91%	344.63%
Cash Flow Adequacy Ratio%	96.32%	48.95%	96.77%
Cash reinvestment ratio%	17.21%	1.50%	1,047.33%
Remarks on the increase/decrease ratio :			
The financial ratio related to cash flow in 2019 were all higher compared to the previous year, primarily due to a shift of cash to time deposits after guaranteed financial products purchased by the subsidiaries matured during the year. As a result, operating cash flows increased by NT\$4.7 billion.			

(II) Plan to improve inadequate current flow:

With the around NT\$ 5.8 billion cash in-flow from operation activities, we have stable cash inflow sources. Therefore, there should not be the concern of the inadequate current flow.

(III) Analysis on the cash flow performance in one year ahead:

Expressed in Thousands of New Taiwan Dollars

Consolidated cash balance at beginning of the term (1)	Anticipated net cash flow from the operating activities (2)	Anticipated net cash flow from the investment activities (3)	Anticipated net cash flow from the financing activities (4)	Anticipated surplus (shortfall) amount in consolidation (1)+(2)+(3)+(4)	Anticipated countermeasures against shortage in cash	
					Investment plans	Financing plans
7,480,172	2,062,023	(874,394)	(2,918,786)	5,749,015	-	-

IV. Major capital expenditures in recent years and the impact upon financial and business concerns

(I) Facts and sources of major capital expenditures and capital sources: Over the recent year, the Company has had no significant capital expenditure

(II) Potential benefit anticipated to yield: Nil.

V. The policies in outward investment, causes leading to profits or loss, countermeasures and investment plans anticipated in one year ahead

- The Company and its subsidiaries remain focused on the real estate brokerage and development business. In addition to the funding requirements of working capital from its subsidiaries, the Company acquired in 2019 the right-of-use for over 200 hectares of land in Mengalum Island, Malaysia, and entered into a contract to purchase the right-of-use for approx. 100 hectares of land on the same island. We are planning to enter the market for high-end holiday resorts and hotels. Given the large size of the island, our development will be proceeded in stages.
- Sinyi Estate (Hong Kong) Limited acquired the land on behalf of Sinyi group in September, 2017 and set up a project company, Jiu Xin Estate (Wuxi) Limited, to conduct the development residential project of the land and to execute the sales plan. In accordance with the IFRSs, we shall recognize the revenue only when we deliver the completed unit to the clients. Therefore, Jiu Xin Estate will be in the temporary loss position in a few years, and will turn to profit after transferring the ownership of the inventory to the clients.
- Sinyi Real Estate (Shanghai) Limited has nearly completed the sale of its developments and has been recognizing revenues and profits according to the completion of property transactions. Except for the portion of earnings remitted back to the Company pursuant to the requirement set forth by the Investment Commission, Ministry of Economic Affairs, Sinyi Real Estate (Shanghai) Limited intends to use its retained earnings for project development and sale through careful screening of suitable sites in the Yangtze River Delta via its subsidiary SinYeh Enterprise Management (Shanghai).

4. Shanghai Sinyi Real Estate Inc. (“Shanghai Sinyi”) and Suzhou Sinyi Real Estate Inc. (“Suzhou Sinyi”) introduced in 2019 “Amoeba-style operations” project with the support of the new project management and mobility tools. To fund the development O2O (online-to-offline) and Amoeba management project, a cash injection of US\$5 million was conducted in January 2019. However, the Suzhou housing market was significantly cooled off for both second-hand properties and land transactions due to the introduction of new systems in May and July 2019, respectively. This has had material and adverse effects on Suzhou Sinyi’s revenues. In the face of housing market uncertainty and the disruption of the COVID-19 pandemic, the subsidiary will continue to focus on Amoeba management metrics and seek to improve profits in 2020 via enhanced online services and marketing efforts.
5. The Company’s subsidiary, Yowoo Technology Inc. (“Yowoo”) is devoted to community economy with the launch of “Yowoo Express Delivery Platform”. Yowoo reported a net loss of NT\$ 41 million in 2019, up from 2018, due to the investment in system development and marketing activities, assistance to the R&D efforts of “Community Helper” app and relationship building and maintenance with community residents online and offline. In order to align with the Company’s core business better in real estate brokerage, Yowoo increased its capitalization by NT\$58 million in 2019. This is to continue to provide its technological expertise and optimize “Community Helper” app by catering to the daily requirement of community residents. Meanwhile, the threat of the COVID-19 pandemic has boosted the demand of food & beverage deliveries. Yowoo is also adjusting part of its operational strategy with ongoing optimization of user experience with “Yowoo Express Delivery Platform”, by partnering with other businesses to enhance the stickiness of its customers and the operational efficiency in order to turn losses into profits as soon as possible.

VI. The Analysis and evaluation on the risk control policies, organizational frameworks and potential risks in the latest year and as of the printing date of this Annual Report

(I) Risk control policies, organizational frameworks:

To put the potential risks into effective control, the Company has set up relevant risk managerial policies to boost the Company’s external values and increase forward-looking quality of policymaking process. Here at Sinyi Conglomerate, the entire staff members have participated in the implementation and valuation of the risk management policies.

Here at Sinyi Conglomerate, the units enumerated below are in charge of operation of the risk management organization:

1. Board of Directors: The Board of Directors of Sinyi should approve of the risk management policies, procedures and risk tolerance, review the risk management policies implementation reports and audit reports to assure that the risk management policies system would be put into effective implementation.
2. Internal audit unit: Pursuant to the Company’s risk management policies and various risk management systems, the internal audit unit works out annual audit plans and implements various audit systems and report the results to the board of directors on a regular basis.
3. Departments responsible for risk management: The Chairman’s Office of the Company takes overall charge of the operation of the risk management systems, including checking and verification consistent risk management evaluation criteria and risk analysis targets so as to set up a sound risk management climate. All other departments concerned assume the respective responsibilities based on the responsibilities and powers as set forth under “Organizational Framework Regulations”, including identification, evaluation, handling, planning and implementation, and work out countermeasures or restoration plans to come to the policies to evade, minimize, transfer, shoulder risks. Besides, they report to the board of directors about the implementation of the risk management on a regular basis.

List of a variety of risk management units:

Attributes of risks	Contents of risks	Departments responsible
Strategic risks	New region market development, innovative services, organizational reform and risks likely to occur.	Strategic Director's Office
Operating risks	Sales standstill or recession, potential legal disputes during the process of transaction, changes in laws, policies, and marketing advertisements.	Real Estate Agent Division, First-hand New House Selling Department, Customer Service Department, Marketing & Brand Communication Department Corporate Ethics Office
Financial risks	Potential risks in major investment, capital dispatch, cost control, exchange rates, interest rate, inflation and such potential risks.	Finance Division
Personnel risks and personal safety	Any risks potentially arising from personnel recruitment, labor relations or traffic accidents	Human Resources Department
Information risks	Potential risks in interruption or damage in information, divulgence in information, misuse of pirate software.	Digital Intelligence Center, IT Service and Information Security Management Department
Reputational (media) risks	The risks of damaging reputations due to negative reports online or by press media	Public Affairs Department, First-hand New House Selling Department, Marketing & Brand Communication Department, Customer Services Department
Climate risks	Extreme climate events; natural disasters, manmade environmental damages, water resource crisis	Chief Strategy Head Office

4. The business and staff units: The management level of the Company's business and staff units shall put forth maximum possible efforts to make the importance of risk management known to each and every staff member and shall, during the process of business promotion, prudentially evaluate and discover potential risks, faithfully comply with a variety of risk management systems, coordinate with other units in implementation of a variety of risk control measures to make sure that all risks on implementation falling within the authorized scope.

(II) Analysis on the evaluation of risk issues:

1. The impact incurred by change in interest rate, exchange rate, inflation upon the Company's profit and/or loss and the future countermeasures:

Descriptions	2019
Interest income/expenditure, net	70,961
Gain in foreign exchange, net	3,514
Ratio of net interest income/expenditure to operating revenue	0.57%
Ratio of net interest expenditure to net profit before tax	3.45%
Ratio of gain in foreign exchange to operating revenue	0.03%
Ratio of gain in foreign exchange to net profit before tax	0.17%

(1) Interest rate risks:

The term “interest rate risks” as set forth herein denotes the potential risks to be incurred by a change in the fair value of the financial instruments and in cash flow in the interest rate in the market. Here at Sinyi and its subsidiaries, the major interest related risks come primarily in the investment and loans with fixed and floating interest rates.

A. The impact upon Sinyi and its subsidiaries in the profit and/or loss:

Our exposure to the financial assets and the financial liabilities with fair value associated with interest rate risks at the end of 2019 was NT\$5,292,138 thousand and NT\$ 13,219,660 thousand, respectively, in terms of book value. The financial assets and the financial liabilities whose cash flows are subject to interest rate risks stood at NT\$ 40,153 thousand and NT\$ 2,300,000 thousand, respectively. Our investment gains and certain borrowings are at fixed interest rates and measured with amortization so the change in interest rate does not affect future cash flows. However, some of our borrowings are at floating rates so the change in interest rates affects the future cash flows and the effective rates for both short-term and long-term loans. We estimate an increase of the market interest rate by 1% will increase our cash outflow by NT\$ 22,598 thousand in 2019. In Taiwan, the adjustment of the interest rate will depend on the consumer price index fluctuations in the domestic market. In addition, taking the trade war between the U.S and China, the effects of the COVID-19 outbreak and information from the Central Bank into consideration, unless the demand is strong, average wages or oil prices increase significantly, the interest rates in Taiwan are likely to remain low. The influx of foreign capital is for the equity market, not the property market. Therefore, the real estimate market in Taiwan should remain relatively stable, without significant changes expected. Hence, the fluctuation in interest rates should not significantly influence the profit and loss of our company.

B. Future countermeasures:

Currently, the prime rates in major financial institutions in Taiwan are still low. That said, we require significant capital to fund our developments. To ensure the safety and the liquidity of our funds, we maintain a portion of our capital for day-to-day operations and prioritize the repayment of our bank loans. Any idle capital at the subsidiaries will be invested in short-term deposits and capital guarantee financial products with higher interest rates. We shall closely watch the interest rate trends and flexibly adjust the deposit and loan durations in real time. Besides, where Sinyi remains at secured and stable business and financial standing and maintains very sound interest rate with banks, we shall evaluate the rationality of interest rates in the markets in an attempt to win the optimal possible level of interest rates in the markets.

(2) Exchange rates:

Our company and subsidiaries are primarily engaged in the development and brokerage of real estates in the domestic market. There are no needs to export products or import

raw materials. Whilst the development business run by our subsidiaries import certain building and decorative materials, the import value is a small portion of the total costs. The cash injections to overseas subsidiaries are exposed to exchange rate risks but the holding periods of these foreign currencies tend to be short. Hence, exchange rates do not have a major impact on the profit and loss of our company or our subsidiaries. The net assets of overseas subsidiaries owned by the Company are expressed in foreign currencies. Given the long and indefinite holding periods and the high risks of hedging, we do not hedge the foreign currency exposures of the net assets at overseas subsidiaries. However, we keep a close eye on exchange rate changes and adjust these net assets accordingly. In the end of 2019, the net exchange loss of foreign currency of the consolidated financial report of the Company is NT\$3,514 thousand, accounting 0.17% of net profit before income tax. When the exchange rate fluctuates 1%, it has the impact of 2019 equity or profit as below lists:

(Expressed in thousand dollars):

	Years Ended December 31,2019			
	CNY	JPY	USD	MYR
	(expressed in NT thousand)			
Equity	\$ 40,854	\$ 2,977	\$120	\$437
Profit or loss	21	-	1,454	327

(3) Inflation:

The Company primarily engages in brokerage sales of real estate. Some of our subsidiaries engage in construction & development business. In case of a raise in commodity prices or inflation, the prices of real estate would relatively secure in preserving the values and appreciation. To put it in more understandable terms, a raise in commodity prices or inflation would stimulate a demand for real estate purchase and would function as a positive stimulus to Sinyi business.

2. Major causes leading to profit and/or loss in high risk, high leverage investment, loaning capitals to others, endorsements/guarantees and the policies in derivative financial instruments and the countermeasures thereof:

(1)High risk, high leverage investment: Sinyi does not engage in derivative financial instruments or high risk, high leverage investment.

(2)Loans granted to others:

The company and its subsidiaries only loans to the related parties which 100% directly or indirectly owned by the ultimate parent company. Therefore, no material default risk will be incurred.

- A. To fund the initial working capital requirements of SinYeh Enterprise Management (Shanghai), Shanghai Sinyi, Hua Yun Renovation (Shanghai) Co., Ltd., Shanghai Business Development & Consulting Co., Ltd. and Kunshan Dingxian Trading Co., Ltd. offered credit facilities by using their own equity no more than RMB 10 million, 5 million, 6 million and 52 million (for an aggregate of RMB 73 million). Such credit facilities expired in May 2019.
- B. To continue with the expansion of the development business and enhance the health of the real estate operations and support the funding requirements of the group, Shanghai Sinyi Real Estate Inc. (“Shanghai Sinyi”), offered credit facilities by using its own equity no more than RMB 780 million to SinYeh Enterprise Management (Shanghai). Such credit facilities expired in May 2019.
- C. To fund the short-term working capital requirements of SinYeh Enterprise Management (Shanghai), the Company offered a loan of no more than RMB 200 million from the two-directional RMB-denominated capital fund parked in the Shanghai Pilot Free Trade Zone and via Hua Yun Renovation (Shanghai) Co., Ltd., and then via Suzhou Sinyi, also 100% indirectly owned by the Company.

- D. The above credit facility was adjusted in June 2019 to RMB 100 million, and the lending structure was changed from the Company via Hua Yun Renovation (Shanghai) Co., Ltd., and then via Suzhou Sinyi and then via Kunshan Dingxian Trading Co., Ltd. to SinYeh Enterprise Management (Shanghai). By the end of 2019, the utilized credit facility was RMB 0. The credit facility expired in January 2020.
- E. To achieve flexibility in working capital, Shanghai Sinyi Real Estate Inc. (“Shanghai Sinyi”) in March 2018 made a loan of RMB 25 million to Jiu Xin Estate (Wuxi) Limited to fund the working capital of Project “Shanshui Jiating” and save the cost of capital for the group. Jiu Xin Estate (Wuxi) Limited paid back RMB 5 million in February 2019. As its Project “Shanshui Jiating” has not started with the selling process yet, another loan totaling RMB 22 million was made in April 2019 to Jiu Xin Estate (Wuxi) Limited to fund the working capital of this project and save the cost of capital for the group. By the end of 2019, Jiu Xin has drawn down RMB 22 million of this credit facility. As Sinyi Real Estate (Shanghai) has sufficient capital to support this related party loan, it has minor impact on its financials. Furthermore, it may reduce the interest expense incurred by the bridge loan and have positive impact to the Company’s shareholders.
- F. In order to maintain the living standard, residential quality and the facilitation of project completion of the project “Sinyi Jiating” developed by Shanghai Sinyi, and to segment the development business and property management business, Sinyi Real Estate (Shanghai) and Hua Yun Renovation (Shanghai) Co., Ltd. offered credit facilities for up to RMB 15 million and RMB 7.6 million, respectively, to Lunheng Business Management (Shanghai) Ltd.. The purpose of these credit lines was to fund the purchase of a business premise on the first floor of the “Sinyi Jiating” project for the planning and operation of property management. By the end of 2019, these credit facilities have been drawn down for Project 15 million and Project 7.6 million, respectively. This should save the interest expenses for the group and benefit the shareholders’ equity.

(3)Endorsements/guarantees rendered to others:

- A. To continue the expansion of the development business, our subsidiary Sinyi Real Estate (Shanghai) collateralized Project 20 million to offer guarantees of the collateral for SinYeh Enterprise Management (Shanghai). The purpose of this guarantee was to serve as a refundable deposit to participate in a competitive bid for land. As of the end of 2019, the guaranteed amount has expired.
- B. In order to avoid the risk of depreciation of the value of the assets of Sinyi Group due to fluctuations in the exchange rate market and make the optimum efficient allocation of our capital, Sinyi International Ltd. (Samoa) (“Sinyi International”), the Company’s 100% owned subsidiary, applies to the financial institution for a Non-Delivery Forward contract. Accordingly, Sinyi Realty provides endorsement guarantee for Sinyi International in amount of US\$5,400. As of the end of 2019, the guaranteed amount has expired.
- C. To fund the development business in China, the Company previously applied with financial institutions for a credit line of NT\$1,600 million, and an increase of the facility by US\$34 million shared with Sinyi Real Estate (Hong Kong) Ltd., 100% indirectly owned by the Company. Meanwhile, the Company provided guarantees for Sinyi Real Estate (Hong Kong) Ltd. in order to fund the short-term capital requirement of overseas subsidiaries. As of the end of 2019, the drawn down balance of the guaranteed facility was US\$0.
- D. To mitigate the currency translation risks for the Group’s assets and facilitate the most efficient capital allocations of the Group, Sinyi Real Estate (Hong Kong) Ltd., applied with financial institutions for a hedging quota on the back of the Company’s guarantees for up to US\$5 million. As of the end of 2019, the drawn down balance of the guaranteed facility was US\$0.

- E. To provide the guarantees to Kunshan Dingshan Trading Co., Ltd., for up to RMB 4.242 million in order to fund its purchase of building materials. As of the end of 2019, the drawn down balance of the guaranteed facility was RMB 4.242 million.
3. The research & development programs and the research & development costs to be budgeted:
- A. Over the years, Sinyi has invested significant human resource and monetary amounts in the development of new services and systems to satisfy the demand for sale and purchase of real estates. We continue to improve the customers' digital experience through enhancing the functions of Sinyi's housing-viewing app and the search features on our official website. Meanwhile, we seek to enhance the efficiency and effectiveness of customer services by strengthening the O2O (online to offline) links with staff at branch stores. Also, the Company is enhancing the integration with the backend operational systems for the sales team. In 2020, we plan to develop smart customer services by incorporating O2O features to daily operations at branch stores to boost the frequency and efficiency of interactions with customers. The budget of the research for 2020 will be expected to be NT\$11 million dollars.
- B. To reduce errors caused by poor information transfer and improve design efficiency for reducing engineering costs further and provide a collaborative platform to enhance development efficiency, Sinyi Development and Shanghai Xinyi Real Estate have implemented the BIM design tools and information exchange platform in 2017, which was used in the existing development design. With the growth in the talent pipeline, the Sinyi Development team has set up a BIM project team for the promotion, coordination and communication of BIM technology and tasks. We plan to invest NT\$4 million in 2020.
4. Our strategy in response of regulatory backdrop and business environment, and relevant impact on operating and financial prospects:

The year 2019 witnessed the rising rigid demand and the recovery of confidence in the domestic property market. All the market indicators reported growth. The government wished to foster a healthy housing market by (1) promulgating the Rental Housing Market Development and Regulation Act to support the trading momentum of the rental market; (2) continuing efforts in the development and construction of social housing units. Sinyi will continue to enhance and provide swift, secure and differentiated services for renters and landlords, with ongoing streamlining of rental service workflows and improvement of rental service effectiveness. Meanwhile, the team will carry on with their good work in the coming year by focusing on community activities and offering better quality services.

In China, the emphasis on three stabilities, i.e. stable land prices, stable housing prices and stable market expectations, were the key tone of the real estate market in 2019. This is continuing into 2020 with a curb on speculations and a focus on the stable environment. That said, the effect of the COVID-19 outbreak surely has impacts in the short term. Our brokerage business in China will carry on with Amoeba-style management and keep a close eye on performance metrics. This is supported with the introduction of mobile project management tools to better stay on top of property listings and customer interactions. The purpose is to enhance the business development efforts in key catchment areas and provide more value-added services, to optimize our serving capability and boost our productiveness per store.

As to development business, in addition to keeping selling and delivering the remaining unsold houses of Project "Sinyi Jiating", we would spare no efforts to cultivate talent to increase our operation capacity and strengthen the control of the schedule of each development project to improve the effectiveness of the projects. Meanwhile, our development business will continue with the same design and architecture philosophy of "Sinyi Jiating" project by incorporating community spirits and elements into "Shanshui Jiating" project in Wuxi. We hope our customers can experience the value and characteristics of "Shanshui Jiating" project and we spare no efforts in the monitoring of construction status and the achievement of engineering quality. Our projects Sinyi Jiahe and Sinyi Jiapin in

Banqiao, New Taipei City, strive to create a unique and green wonderland, by integrating traceability records of building materials, BIM (building information modeling) and community creation. It is our vision that our properties are differentiated with cultural sophistication and become the heritage of our customers for future generations.

5. The impact from a change in technology and businesses upon the financial standing and the countermeasures:

The growing popularity of mobile devices and the increasing application of Big Data over recent years have tremendous influence on the real estate brokerage industry. The marketing channels are increasingly migrating from bricks-and-mortars, newspapers, pamphlets, TV and radio to social media and online marketing. We have established Digital Intelligence Center to recruit talents and invest resources in the R&D and analytics and apply the state-of-the-art technology to marketing and property viewing. Our internal team manages the digital advertising campaigns, by leveraging their industry knowledge in media strategies, in order to provide customized recommendations to consumers and target at buyers and sellers for the brokerage and the sales teams working on off-plan projects developed by other companies. Our vision is to offer better and more convenient services to consumers via precise and effective marketing. Given the emergence of social media, Yowoo continues to develop and optimize the Community Helper app by exploring and satisfying the day-to-day needs of community residents, in order to enhance quality and ease of life. We are fully aware of the importance of O2O (online-to-office) to the future of the real estate brokerage business, and we spare no efforts in the utilization of the newest technology, artificial intelligence (AI) and Big Data to create best-of-breed service and experience for our customers. We believe this investment will help increase our market share and enhance operating effectiveness.

Our real estate development division continues to improve and optimize our BIM efforts. We hope to create and develop residential and Internet-of-Things apps for our customers who have purchased their homes and started a new life in the community they choose. Our vision is to facilitate a cozy and smart living environment with all the necessary amenities and bring residents and communities closer together.

6. The impact from the change in corporate image upon the management over business risks and the countermeasures:

We have received many awards over the years, for our long-standing efforts in corporate social responsibility and support to pro bono activities. In 2019, we received the 11th Global CSR Summit & Awards from the Pinnacle Group International Pte. Ltd. in Singapore. We also received Best Environmental Excellence Award, Empowerment of Women Award, Best Workplace Practices Award and CSR Leadership Award. We were also honored by TAISE for its Global Corporate Sustainability Award for the second year running, and 5 times in row with “Best Taiwan company Sustainability Awards”, three years in a row with Asia Sustainability Reporting Award (ASRA) from CSR Works International Pte. Ltd. In fact, we received the most important award, Asia’s Report of the Year. Meanwhile, we also received for the 13th time running the Grand Award as the Commonwealth Model Citizen by the Commonwealth Magazine and were ranked in the top 5% of the listed companies in Taiwan for the 5 years in a row by the Taiwan Stock Exchange. All these awards are a testimony of our endeavors and commitment to corporate social responsibility.

Sinyi’s good corporate image is accumulated from the efforts of all the staff of the group for many years. It is also the most important asset of the group. We pay attention to see whether the Company's decision-making or peer behavior hurts the company's image at any time.

For the crisis management of corporate image, our crisis management team will be formed according to various crisis situations. They will analyze and review the causes of the crisis, and quickly propose crisis management solutions based on the effects of the crisis, so as to reduce the harm to the company's image.

7. The benefits anticipated from merger/acquisition (M&A), potential risks and countermeasures:

The Company and its subsidiaries made no major acquisitions in 2019. Our subsidiary Yowoo Technology Inc. (“Yowoo”) is a developer of community service apps and a provider of service deliveries. To boost the operating efficiency of the delivery services, Yowoo acquired 100% equity of Lian Yue Traffic Inc. for NT\$5.5 million in 2019. Yowoo recognized an investment loss of NT\$114 thousand for the acquisition of Lian Yue Traffic Inc.

8. The impact from plant expansion, potential risks and countermeasures:

The Company and its subsidiaries are mainly engaged in the realty agency service and there is no need to expand plant capacities. We continue with a prudent and stable pace for the expansion of our branch networks, primarily through leasing. In Taiwan, the opening of a new store costs an average of NT\$1.8 million for the initial renovations. Whilst it is possible to terminate the contract early, a penalty of one-month payment is required. The rental costs in other areas depend on local supply and demand dynamics. We regularly review whether our stores are in competitive locations, and if not, we evaluate whether a relocation is in order. Expansion of plant capacities is not applicable to the development business run by our subsidiaries either.

9. The impact from centralized input or output business performance, potential risks and countermeasures:

We do not have customer concentration risk, as we are completely free of such risks as our customers are just general public in the society. Although there are equipment repair and upgrading and labor expenditure, but the amount is not significant, and there is no demand for goods, so there is no such risk. Our subsidiaries in property development business acquire ownership or right-of-use land from the government or various landowners. Our development team selects quality local constructors as subcontractors via a bidding process. In order to ensure the quality and the progress of engineering works, we send our own personnel to sites for monitoring and supervision. Also, our development business in China makes purchases from CURA, a platform currently being set up by large developers in China. All the vendors on this platform are leading companies and the platform can afford stable supplies, without shortage of materials. Finally, our products of residential project are sold to the general public; therefore, there is no sale concentration risk.

10. The impact from huge transfer or conversion by directors and key shareholders holding over 10% of the total shares, potential risks and countermeasures:

Our board members and major shareholders with over 10% holdings are all long term shareholders. In fact, our major shareholders are directly involved in our operations. By the end of 2019 and by the time the 2020 annual report is printed, there has been no transfer of any major stake or change of major shareholders. Therefore, there should not be any significant influence or risk associated with the transfer of major stakes or change of large shareholders. All our major subsidiaries are 100% owned by us and hence there is no transfer of significant shareholdings.

11. The impact from the change in managerial power, potential risks and countermeasures:

In the long-run, our controlling power has been secured and stable in structure, and the risk from a change is minor, and main shareholders operate the Company directly.

12. For all litigious and non-litigious events, please expressly enumerate the involved facts, target amounts, starting dates of the litigation, major parties involved and the progress as of the printing date of this Annual Report for the cases where the Company, the Company’s directors and supervisors, general manager, substantial responsible persons, key shareholders holding over 10% of the total outstanding shares and the auxiliary firms in the major litigious, non-litigious or administrative events the outcome of which might have a significant impact upon the shareholders’ equity or stock prices:

All major litigious, non-litigious or administrative events of the Company have been disclosed in the remarks or notes of financial statements of 2019. By the time the 2020 annual report is printed, there are no litigious and non-litigious events and

objecting/appealing against government decisions occurred.

13. The impact of information system impairment to our operation and financial status and our response to the impact:

The Group set up our information system framework and high-feasible back-up mechanism based on the level of risk to insure the service would not be broken down. We also sync and offsite backup our back-up information, doing emergency drill to insure the information system is functional and secure, to reduce the risk of information break down or impair and to insure the system is in accordance with the expected date of recovering.

The Company has concluded the information security policy and related administration regulations to insure the confidentiality, integrity and availability of internal information assets and to conform to the relevant laws and regulations. Also, based on the level of risk, we continue to plan to build the appropriate software and hardware facilities related to information security to reduce the risk of confidentiality outflow.

As of the end of 2019 and until this annual report set in print, there are no information system incidents or damages already occurred or likely to occur to have material and adverse effects on the Company's business or operations. Also, the Group was not involved with any legal cases or investigations related to the information security.

14. Other important risks and responding measures:

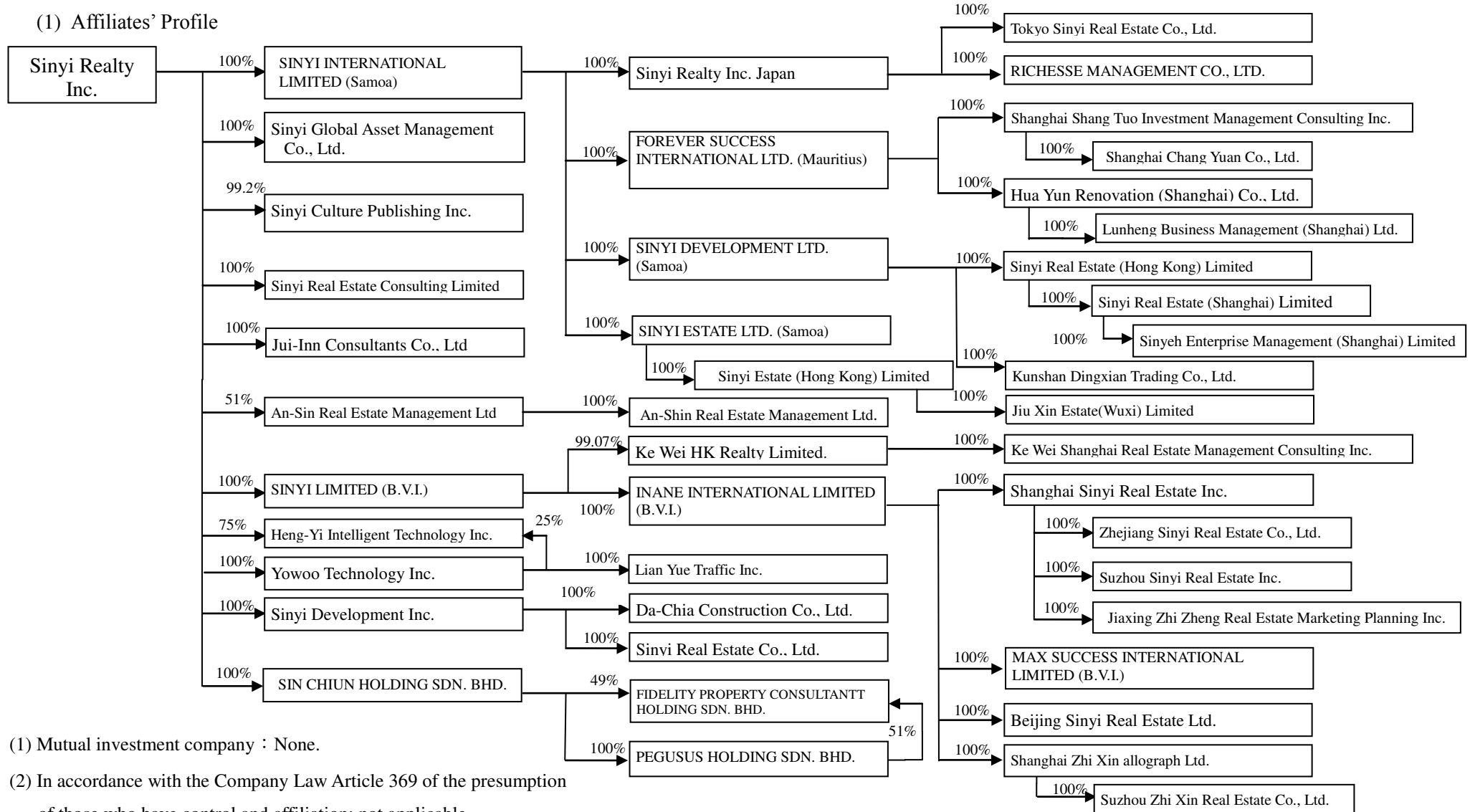
The COVID-19 pandemic is likely to devastate the global trade and economic activities. Even with its success in fending off the virus, Taiwan is not immune to its adverse effects on the economy. This has cast many uncertainties to the recovery of the housing market in 2020 and the short-term transactions are already being affected. However, the firm demand from home buyers, the neutral to positive policy support, and the ample liquidity as a driver to the recovery are all boosting the market confidence. After the epidemic threat recedes, the market will gradually resume its stable pricing and volume levels. In addition to the continuation of the protective measures such as disinfection, frequently washing hands and mask wearing to prevent transmission, the Company and its subsidiaries will also adjust the service model by optimizing remote viewings and customer services and increasing the quality and quantity of online services in the O2O model.

VII. Other significant events: Nil.

Chapter Nine. Special Disclosure

I. Investment Holding structure

(1) Affiliates' Profile



(1) Mutual investment company : None.

(2) In accordance with the Company Law Article 369 of the presumption of those who have control and affiliation: not applicable.

(2) Affiliates' Profile

Unit: thousand

Name	Date of incorporation	Address	Paid-in capital	Main business
<u>Control Company</u>				
Sinyi Realty Inc.	01/21/1987	No. 100, Sinyi Rd., Sec. 5, Sinyi District, Taipei City, Taiwan	NT\$ 7,368,465	Real estate brokerage
<u>Affiliated Company</u>				
SINYI INTERNATIONAL LIMITED (Samoa)	11/10/2005	Equity Trust Chambers, P.O. BOX 3269, Apia, Samoa.	NT\$ 10,350,236 (US\$ 345,238)	Investment holding
SINYI LIMITED (B.V.I.)	11/19/1996	Citco Building P. O. Box 662, Road Town, Torola, B. V. I.	NT\$ 2,061,934 (US\$ 68,777)	Investment holding
Sinyi Development Inc. (Samoa)	03/05/1998	No. 100, Sinyi Rd., Sec. 5, Sinyi District, Taipei City, Taiwan	NT\$ 2,035,000	Development, construction, rental and sale of residential building and factories
Sinyi Global Asset Management Co., Ltd.	01/19/2010	No. 100, Sinyi Rd., Sec. 5, Sinyi District, Taipei City, Taiwan	NT\$ 50,000	Real estate brokerage
Heng-Yi Intelligent Technology Inc.	09/05/2013	No. 100, Sinyi Rd., Sec. 5, Sinyi District, Taipei City, Taiwan	NT\$ 28,000	Information software, data processing and electronic information providing services
Sinyi Real Estate Consulting Limited.	07/20/1989	No. 100, Sinyi Rd., Sec. 5, Sinyi District, Taipei City, Taiwan	NT\$ 5,000	Production of Instructions of real estate
Jui-Inn Consultants Co., Ltd.	07/08/2005	No. 100, Sinyi Rd., Sec. 5, Sinyi District, Taipei City, Taiwan	NT\$ 5,000	Management consulting

(Continued)

Name	Date of incorporation	Address	Paid-in capital	Main business
Sinyi Culture Publishing Inc.	08/22/1995	No. 100, Sinyi Rd., Sec. 5, Sinyi District, Taipei City, Taiwan	NT\$ 5,000	Publication
An-Sin Real Estate Management Ltd.	05/09/1995	No. 100, Sinyi Rd., Sec. 5, Sinyi District, Taipei City, Taiwan	NT\$ 150,000	Real estate management
Yowoo Technology Inc.	04/03/2014	No. 100, Sinyi Rd., Sec. 5, Sinyi District, Taipei City, Taiwan	NT\$ 100,000	Information software, data processing and electronic information providing service
Lian Yue Traffic Inc.	12/09/2013	No. 100, Sinyi Rd., Sec. 5, Sinyi District, Taipei City, Taiwan	NT\$ 30,800	Manpower dispatch and Merchandise delivery
SIN CHIUN HOLDING SDN. BHD.	10/19/2016	Suite 9-13A, Level 9, Wisma Uoa II, Jalan Pinang, 50450 Kuala Lumpur, Malaysia	NT\$ 1,198,748 (MYR 163,538)	Investment holding
INANE INTERNATIONAL LIMITED	10/05/1992	Palm Grove House, P.O. Box 438, Road Town, Torola, British Virgin Islands	NT\$ 1,557,306 (US\$ 51,936)	Investment holding
Ke Wei HK Realty Limited.	04/11/2008	Rooms 2103, Futura Plaza, 111 How Ming Street, Kwun Tong, Hong Kong	NT\$ 80,946 (US\$ 2,700)	Investment holding
FOREVER SUCCESS INTERNATIONAL LTD.	11/18/2005	3rd Floor, Standard Chartered Tower, 19 Cybercity, Ebene, Mauritius.	NT\$ 66,443 (US\$ 2,216)	Investment holding
Sinyi Realty Japan Inc.	12/01/2009	2nd Floor, Shoritsu Building 2-7-1 Yoyogi Shibuya-ku, Tokyo, Japan	NT\$ 44,160 (JPY 160,000)	Real estate brokerage, management and identification

(Continued)

Name	Date of incorporation	Address	Paid-in capital	Main business
SINYI DEVELOPMENT LTD.	07/04/2012	TMF Chambers, P.O. Box 3269, Apia, Samoa.	NT\$ 4,002,516 (US\$ 133,506)	Investment holding
SINYI ESTATE LTD.	10/07/2014	TMF Chambers, P.O. Box 3269, Apia, Samoa.	NT\$ 6,250,830 (US\$ 208,500)	Investment holding
MAX SUCCESS INTERNATIONAL LIMITED	01/02/2004	Palm Grove House, P.O. Box 438, Road Town, Torola, B. V. I.	NT\$ 47,488 (US\$ 1,584)	Investment holding
An-Shin Real Estate Management Ltd.	09/14/2009	No. 100, Sinyi Rd., Sec. 5, Sinyi District, Taipei City, Taiwan	NT\$ 100,000	Real estate management
RICHESS MANAGEMENT CO., LTD.	12/24/2010	2nd Floor, Shoritsu Building 2-7-1 Yoyogi Shibuya-ku, Tokyo, Japan	NT\$ 8,280 (JPY 30,000)	Real estate brokerage, management and identification
Tokyo Sinyi Real Estate Co., Ltd.	07/31/2015	No. 100, Sinyi Rd., Sec. 5, Sinyi District, Taipei City, Taiwan	NT\$ 5,000	Real estate brokerage
Sinyi Real Estate (Hong Kong) Limited.	08/14/2012	Room 802, 8 Floor, Millennium City 2, 378 Kwun Tong Road, Kwun Tong, Hong Kong	NT\$ 3,961,252 (HKD 1,029,164)	Investment holding
Sinyi Estate (Hong Kong) Limited.	12/04/2014	Unit 2103, Futura Plaza, 111 How Ming Street, Kwun Tong, Kowloon, Hong Kong	NT\$ 6,205,860 (US\$ 207,000)	Investment holding
Da-Chia Construction Co., Ltd.	02/10/2014	No. 100, Sinyi Rd., Sec. 5, Sinyi District, Taipei City, Taiwan	NT\$ 500	Development, construction, rental and sale of residential building and factories

(Continued)

Name	Date of incorporation	Address	Paid-in capital	Main business
Sinyi Real Estate Co., Ltd.	02/10/2014	No. 100, Sinyi Rd., Sec. 5, Sinyi District, Taipei City, Taiwan	NT\$ 500	Development, construction, rental and sale of residential building and factories
PEGUSUS HOLDING SDN. BHD.	01/26/2017	Suite 9-13A, Level 9, Wisma Uoa II, Jalan Pinang, 50450 Kuala Lumpur, Malaysia	NT\$ 34,606 (MYR 4,721)	Investment holding
FIDELITY PROPERTY CONSULTANT SDN.BHD.	02/15/2017	Suite 9-13A, Level 9, Wisma Uoa II, Jalan Pinang, 50450 Kuala Lumpur, Malaysia	NT\$ 66,778 (MYR 9,110)	Real estate brokerage, management and identification
Ke Wei Shanghai Real Estate Management Consulting Inc.	03/21/2000	Rooms 302, No. 627, Weifang ninth Village, Pudong New District, Shanghai, China	NT\$ 84,543 (CNY 19,638)	Real estate brokerage and management consulting
Shanghai Sinyi Real Estate Inc.	04/22/1993	Room 103, No.508, Dongchang Road, Pudong New District, Shanghai, China	NT\$ 1,264,087 (CNY 293,632)	Management consulting
Beijing Sinyi Real Estate Ltd.	01/06/2004	S-239, II seat, Blue Castle International, No.3, Xidawang Road, Chaoyang District,	NT\$ 149,584 (CNY 34,747)	Real estate brokerage
Shanghai Zhi Xin allograph Ltd.	02/07/2005	Room 101, Building 39, No. 227, Rushan Road, Pudong new district, Shanghai, China.	NT\$ 51,524 (CNY 11,968)	Management consulting
Shanghai Shang Tuo Investment Management Consulting Inc.	04/11/2007	Rooms 3-103, No. 574, Qingxi Road, Pudong New District, Shanghai, China	NT\$ 25,660 (CNY 5,961)	Management consulting

(Continued)

Name	Date of incorporation	Address	Paid-in capital	Main business
Hua Yun Renovation (Shanghai) Co., Ltd.	07/07/2014	Room H06, 1F, No.225, Fute North Road, Liberty Trade Testing Zone(Shanghai), China	NT\$ 34,440 (CNY 8,000)	Professional construction, building decoration construction, interior decoration, hard ware, general merchandise, building materials wholesale
Kunshan Dingxian Trading Co., Ltd.	10/31/2014	No. 5, Hai-Xing Rd., Huaqiao Economic Development Zone, Kunshan City, Jiangsu Province, China	NT\$ 25,830 (CNY 6,000)	Trading, wholesale of construction material, furniture and toiletries
Sinyi Real Estate (Shanghai) Limited.	02/07/2013	Room1708, No.1218, Yung-Sheng Street, Jiading District, Shanghai, China	NT\$ 3,454,819 (CNY 802,513)	Development of commercial and residential building and auxiliary facilities; and construction, rental, sale and property management
Shanghai Chang Yuan Co., Ltd.	08/16/2017	Rooms 7-J1748, 7F, No.328, Jia-Jian Road, Jiading District, Shanghai, China	NT\$ 9,471 (CNY 2,200)	Property, business and management consulting
Suzhou Sinyi Real Estate Inc.	03/18/2005	Room 2101, Building 2, Dongfang-zhimen Building, 199 Xingang Street, Suzhou Industrial District, Suzhou City, China	NT\$ 292,740 (CNY 68,000)	Real estate brokerage and management consulting
Zhejiang Sinyi Real Estate Co., Ltd.	06/06/2005	Room 604, North Building, Modern Collection Center, 161 Shaoxing Road, Xiacheng District, Hangzhou, China	NT\$ 117,096 (CNY 27,200)	Management consulting
Jiaxing Zhi Zheng Real Estate Marketing Planning Inc.	08/22/2017	Rooms 6-917, Chun-Jiang Center, Jiaxing Economic & Technological Development Zone, Jiaxing City, China	NT\$ 431 (CNY 100)	Real estate marketing planning and management consulting

(Continued)

Name	Date of incorporation	Address	Paid-in capital	Main business
Jiu Xin Estate (Wuxi) Limited.	11/01/2017	Rooms 3-205-22, No.100, Jin-Xi Road, Science and Education Pioneer Park, Binhu District, Wuxi	NT\$ 5,859,348 (US\$ 207,000)	Real estate development
Suzhou Zhi Xin Real Estate Co., Ltd.	06/25/2018	Room 2101, building 2, Dongfang-zhimen Building, 199 Xingang Street, Suzhou Industrial District, Suzhou City, China	NT\$ 12,915 (CNY 3,000)	Real estate brokerage
Lunheng Business Management (Shanghai) Ltd.	09/05/2018	RoomJT3054, 7F, Building #7, No. 328, Jiajian Road, Jiading District, Shanghai	NT\$ 49,077 (CNY 11,400)	Financial and marketing consulting, business marketing planning
SinYeh Enterprise Management (Shanghai) Limited.	04/05/2019	RoomJT3561, 7F, Building #7, No. 328, Jiajian Road, Jiading District, Shanghai	NT\$ 1,722,000 (CNY 400,000)	Development of commercial and residential building and auxiliary facilities; and construction, rental, sale and property management

(Concluded)

Note1:Exchange rate : NTD/USD= 1/29.98; NTD/CNY = 1/4.305; NTD/JPY = 1/0.2760; NTD/MYR =1/7.330; NTD/HKD=1/3.8490

Note2 : Chengdu Sinyi Real Estate Co., Ltd. and Wu Pu Co., Ltd. had been liquidated in June and November 2019, respectively.

(3) The same shareholder information of companies presumed to have control and affiliation relationship: None.

(4) The businesses operated by the affiliates:

A. The businesses operated by the Company and the Company's affiliates:

Real estate brokerage and rental, real estate market research, management consulting, development, construction, rental and sale of residential building and factories, building decoration construction, interior decoration, hard ware, general merchandise, building materials wholesale, Information software, data processing and electronic information providing service and publications.

B. When the affiliates associate with each other, their dealings described below:

- a. An-Sin Real Estate Management Ltd. takes the escrow service and collects the agency fee charged to customers on behalf of the Company. The agency fee will be given to the Company while the transactions completed.
- b. Sinyi Real Estate Consulting Limited is engaged to provide instructions of real estate to the Company and Sinyi Global Asset Management Co., Ltd. for explaining and delivering the instructions to the clients while they serve as agents of selling or leasing real estate.
- c. Kunshan Dingshan Trading Co., Ltd., Shanghai Shang Tuo Investment Management Consulting Inc. and Hua Yun Renovation (Shanghai) Co., Ltd. sell some building materials and provide labor consulting services to Sinyi Real Estate (Shanghai) Limited and Jiu Xin Estate (Wuxi) Limited.
- d. Sinyi Realty Japan Inc. and Tokyo Sinyi Real Estate Co., Ltd. sign agreements on providing the Japanese property agent service jointly. Sinyi Realty Japan Inc. will charge the service fee from the client or the constructor and then pay the agreed proportion of service fees to Tokyo Sinyi Real Estate Co., Ltd.
- e. Lian Yue Traffic Inc. provides delivery services to Yowoo Technology Inc. for its food & beverage delivery service platform.
- f. The Company and Shanghai Sinyi Real Estate Inc. provide brokerage services respectively for the newly-built houses developed by Sinyi Development Inc. and Jiu Xin Estate (Wuxi) Limited.
- g. The Company provides information technology, management advice, HR management services to its subsidiaries and charge resource utilization fees accordingly. Shanghai Sinyi Real Estate Inc. provides the abovementioned services to Suzhou Sinyi Real Estate Inc. and Zhejiang Sinyi Real Estate Co., Ltd. and charge resource utilization fees accordingly.

(5) Directors, supervisors, and general managers of affiliates

Company name	Title	Name/Representatives	Holding shares	
			Shares or investment amount	Ownership%
<u>Controlling Company</u>				
Sinyi Realty Inc.	Chairperson	Representative: Chueh Chien-Ping Sinyi Co., Ltd.	3,758 shares	-
	Vice Chairperson	Representative: Chou Wang Mei-Wen Sinyi Co., Ltd.	210,238,285 shares	28.53%
	Director	Chou Chun-Chi	3,613,239 shares	0.49%
	Director	Hong San-Xiong	210,238,285 shares	28.53%
	Director	Jhan Hong-Chih	9,378,622 shares	1.27%
	Director	Yen Lou-Yu	-	-
	Director	Lee Yi-Li	-	-
	General Manager	Liu Yuan-Chih	-	-
<u>Affiliated Company</u>				
SINYI INTERNATIONAL LIMITED (Samoa)	Director	Sinyi Realty Inc. Representative: Chou Chun-Chi	345,238,037 shares	100.00%
			-	-
SINYI LIMITED (B.V.I.)	Director	Sinyi Realty Inc. Representative: Chou Wang Mei-Wen	68,777,000 shares	100.00%
	Director	Sinyi Realty Inc. Representative: Chou Chun-Chi	68,777,000 shares	100.00%
			-	-
Sinyi Development Inc.	Chairperson	Sinyi Realty Inc. Representative: Chou Chun-Chi	203,500,000 shares	100.00%
	Director	Sinyi Realty Inc. Representative: Chen Chin-Hong	-	-
	Director	Sinyi Realty Inc. Representative: Chen Chih-Huan	203,500,000 shares	100.00%
			-	-

(Continued)

Company name	Title	Name/Representatives	Holding shares	
			Shares or investment amount	Ownership%
	Supervisor	Sinyi Realty Inc. Representative: Lin Chiu-Chin	203,500,000 shares	100.00%
	General Manager	Chen Chin-Hong	-	-
			-	-
Sinyi Global Asset Management Co., Ltd.	Chairperson	Sinyi Realty Inc. Representative: Su Jyun-Bin	5,000,000 shares	100.00%
	Director	Sinyi Realty Inc. Representative: Ke Hong-An	5,000,000 shares	100.00%
	Director	Sinyi Realty Inc. Representative: Wu Hsiao-Jean	5,000,000 shares	100.00%
	Supervisor	Sinyi Realty Inc. Representative: Chen Chih-Huan	5,000,000 shares	100.00%
	General Manager	Ke Hong-An	-	-
Heng-Yi Intelligent Technology Inc.	Chairperson	Sinyi Realty Inc. Representative: Liu Yuan-Chih	2,100,000 shares	75.00%
	Director	Sinyi Realty Inc. Representative: Chou Ken-Yu	2,100,000 shares	75.00%
	Director	Sinyi Realty Inc. Representative: Chen Chih-Huan	2,100,000 shares	75.00%
	Director	Vacant	-	-
	Supervisor	Lin Chiu-Chin	-	-
Sinyi Real Estate Consulting Limited	Chairperson	Sinyi Realty Inc. Representative: Liu Yuan-Chih	500,000 shares	100.00%
	Director	Sinyi Realty Inc. Representative: Chou Chun-Chi	500,000 shares	100.00%
	Director	Sinyi Realty Inc. Representative: Wu Hsiao-Jean	500,000 shares	100.00%
			-	-

(Continued)

Company name	Title	Name/Representatives	Holding shares	
			Shares or investment amount	Ownership%
	Supervisor	Sinyi Realty Inc. Representative: Lin Chiu-Chin	500,000 shares -	100.00% -
Jui-Inn Consultants Co., Ltd.	Chairperson	Sinyi Realty Inc. Representative: Chou Chuang-Yun	500,000 shares -	100.00% -
	Director	Sinyi Realty Inc. Representative: Chen Chih-Huan	500,000 shares -	100.00% -
	Director	Sinyi Realty Inc. Representative: Wu Hsiao-Jean	500,000 shares -	100.00% -
	Supervisor	Sinyi Realty Inc. Representative: Lin Chiu-Chin	500,000 shares -	100.00% -
Sinyi Culture Publishing Inc.	Chairperson	Sinyi Realty Inc. Representative: Chou Chun-Chi	4,960 thousand	99.20%
			30 thousand	0.60%
An-Sin Real Estate Management Ltd.	Chairperson	Sinyi Realty Inc. Representative: Chou Chun-Chi	7,650,000 shares	51.00%
			450,000 shares	3.00%
	Director	Sinyi Realty Inc. Representative: Chou Wang Mei-Wen	7,650,000 shares	51.00%
			150,000 shares	1.00%
	Director	Sinyi Realty Inc. Representative: Chang Fon-Rong	7,650,000 shares	51.00%
			-	-
	Director	Taishin International Bank Representative: Wu Tung-Liang	4,500,000 shares	30.00%
			-	-
Director	Fan Teng Investment Ltd. Representative: Kao Chih-Shang	1,500,000 shares	10.00%	
		-	-	
Supervisor	Pei Chen-Pang General Manager	-	-	
		-	-	
Yowoo Technology Inc.	Chairperson	Sinyi Realty Inc. Representative: Chen Chih-Huan	10,000,000 shares	100.00%
			-	-
Director	Sinyi Realty Inc. Representative: Chang Hsu	10,000,000 shares	100.00%	
		-	-	

(Continued)

Company name	Title	Name/Representatives	Holding shares	
			Shares or investment amount	Ownership%
	Director	Sinyi Realty Inc. Representative: Wu Hsiao-Jean	10,000,000shares -	100.00% -
	Supervisor	Sinyi Realty Inc Representative: Chen Shih-Yi	10,000,000shares -	100.00% -
	General Manager	Su Shou-Jen	-	-
Lian Yue Traffic Inc.	Chairperson	Yowoo Technology Inc. Representative: Su Shou-Jen	3,080,000shares -	100.00% -
	Director	Yowoo Technology Inc. Representative: Chang Hsu	3,080,000shares -	100.00% -
	Director	Yowoo Technology Inc. Representative: Chen Chih-Huan	3,080,000shares -	100.00% -
	Supervisor	Yowoo Technology Inc. Representative: Chu Tzu-Lin	3,080,000shares -	100.00% -
SIN CHIUN HOLDING SDN. BHD.	Director	Sinyi Realty Inc. Representative: Li Chieh Feng	163,537,766 shares -	100.00% -
	Director	Sinyi Realty Inc. Representative: Chang Su-Wei	163,537,766 shares -	100.00% -
	Director	Sinyi Realty Inc. Representative: Chen Chih-Huan	163,537,766 shares -	100.00% -
INANE INTERNATIONAL LIMITED (B.V.I.)	Director	SINYI LIMITED Representative: Chou Wang Mei-Wen	51,935,840 shares -	100.00% -
	Director	SINYI LIMITED Representative: Chou Chun-Chi	51,935,840 shares -	100.00% -
Ke Wei HK Realty Limited	Director	SINYI LIMITED Representative: Liu Yuan-Chih	2,675,000 shares -	99.07% -
FOREVER SUCCESS INTERNATIONAL LTD.	Director	SINYI INTERNATIONAL LIMITED Representative: Chou Chun-Chi	2,216,239 shares -	100.00% -
	Director	SINYI INTERNATIONAL LIMITED Representative: Chou Ken-Yu	2,216,239 shares -	100.00% -

(Continued)

Company name	Title	Name/Representatives	Holding shares	
			Shares or investment amount	Ownership%
Sinyi Realty Japan Inc.	Chairperson	SINYI INTERNATIONAL LTD. Representative: Ho Wei-Hung	16,000 shares -	100.00% -
	Director	SINYI INTERNATIONAL LTD. Representative: Chou Chun-Chi	16,000 shares -	100.00% -
	Director	SINYI INTERNATIONAL LTD. Representative: Chen Chih-Huan	16,000 shares -	100.00% -
	Supervisor	SINYI INTERNATIONAL LTD. Representative: Su I-Chieh	16,000 shares -	100.00% -
SINYI DEVELOPMENT LTD.	Director	SINYI INTERNATIONAL LTD. Representative: Chou Chun-Chi	133,506,209 shares -	100.00% -
SINYI ESTATE LTD.	Director	SINYI INTERNATIONAL LTD. Representative: Chou Chun-Chi	208,500,000 shares -	100.00% -
MAX SUCCESS INTERNATIONAL LIMITED	Director	INANE INTERNATIONAL LIMITED Representative: Chou Chun-Chi	1,584,000 shares -	100.00% -
An-Shin Real Estate Management Ltd.	Chairperson	An-Sin Real Estate Management Ltd. Representative: Kao Chih-Shang	10,000,000 shares -	100.00% -
	Director	An-Sin Real Estate Management Ltd. Representative: Chou Wang Mei-Wen	10,000,000 shares -	100.00% -
	Director	An-Sin Real Estate Management Ltd. Representative: Chou Chun-Chi	10,000,000 shares -	100.00% -
	Director	An-Sin Real Estate Management Ltd. Representative: Ou Chih-Hsiung	10,000,000 shares -	100.00% -
	Director	An-Sin Real Estate Management Ltd. Representative: Wu Tung-Hsiung	10,000,000 shares -	100.00% -
	Supervisor	An-Sin Real Estate Management Ltd. Representative: Pei Chen-Pang	10,000,000 shares -	100.00% -
	General Manager	Ou Chih-Hsiung	- -	- -

(Continued)

Company name	Title	Name/Representatives	Holding shares	
			Shares or investment amount	Ownership%
RICHESS MANAGEMENT CO., LTD.	Chairperson	Sinyi Realty Japan Inc. Representative: Ho Wei-Hung	600 shares -	100.00% -
	Director	Sinyi Realty Japan Inc. Representative: Chou Chun-Chi	600 shares -	100.00% -
	Director	Sinyi Realty Japan Inc. Representative: Chen Chih-Huan	600 shares -	100.00% -
	Supervisor	Sinyi Realty Japan Inc. Representative: Su I-Chieh	600 shares -	100.00% -
Tokyo Sinyi Real Estate Co., Ltd.	Chairperson	Sinyi Realty Japan Inc. Representative: Ho Wei-Hung	500,000 shares -	100.00% -
	Director	Sinyi Realty Japan Inc. Representative: Chou Ken-Yu	500,000 shares -	100.00% -
	Director	Sinyi Realty Japan Inc. Representative: Chen Chih-Huan	500,000 shares -	100.00% -
	Supervisor	Sinyi Realty Japan Inc. Representative: Lin Chiu-Chin	500,000 shares -	100.00% -
	General Manager	Ho Wei-Hung	-	-
Sinyi Real Estate (Hong Kong) Limited	Director	SINYI DEVELOPMENT LTD. Representative: Chou Ken-Yu	131,640,306 shares -	100.00% -
	Director	SINYI DEVELOPMENT LTD. Representative: Chen Chih-Huan	131,640,306 shares -	100.00% -
	Director	SINYI DEVELOPMENT LTD. Representative: Lin Fang-Yi	131,640,306 shares -	100.00% -
Sinyi Real Estate (Hong Kong) Limited	Director	SINYI ESTATE LTD. Representative: Chou Chun-Chi	207,017,497 shares -	100.00% -
	Director	SINYI ESTATE LTD. Representative: Chung Chung-Hua	207,017,497 shares -	100.00% -

(Continued)

Company name	Title	Name/Representatives	Holding shares	
			Shares or investment amount	Ownership%
Da-Chia Construction Co., Ltd	Chairperson	Sinyi Development Inc. Representative: Chou Chun-Chi	50,000 shares -	100.00% -
	Director	Sinyi Development Inc. Representative: Wu Hsiao-Jean	50,000 shares -	100.00% -
	Director	Sinyi Development Inc. Representative: Li Jian-Kun	50,000 shares -	100.00% -
	Supervisor	Sinyi Development Inc. Representative: Chen Chih-Huan	50,000 shares -	100.00% -
Sinyi Real Estate Co., Ltd.	Chairperson	Sinyi Development Inc. Representative: Chou Chun-Chi	50,000 shares -	100.00% -
	Director	Sinyi Development Inc. Representative: Wu Hsiao-Jean	50,000 shares -	100.00% -
	Director	Sinyi Development Inc. Representative: Li Jian-Kun	50,000 shares -	100.00% -
	Supervisor	Sinyi Development Inc. Representative: Chen Chih-Huan	50,000 shares -	100.00% -
PEGUSUS HOLDING SDN. BHD.	Director	SIN CHIUN HOLDING SDN. BHD. Representative: Chang Su-Wei	4,721,100 shares (Preferred shares)	100.00% -
	Director	SENG SAW MOI	1 share	-
	Director	TING KIEN HWA	1 share	-
FIDELITY PROPERTY CONSULTANT SDN.BHD.	Director	SIN CHIUN HOLDING SDN. BHD. Representative: Li Chieh Feng	4,463,949 shares -	49.00% -
	Director	PEGUSUS HOLDING SDN. BHD. Representative: SENG SAW MOI	4,646,151 shares -	51.00% -
	Director	PEGUSUS HOLDING SDN. BHD. Representative: TING KIEN HWA	4,646,151 shares -	51.00% -
Ke Wei Shanghai Real Estate Management Consulting Inc.	Chairperson	Ke Wei HK Realty Limited	84,543 thousand	100.00%
		Representative: Chiu Hsiang-Kuo	(CNY 19,638 thousand) -	-

(Continued)

Company name	Title	Name/Representatives	Holding shares	
			Shares or investment amount	Ownership%
	Director	Ke Wei HK Realty Limited	84,543 thousand (CNY 19,638 thousand)	100.00%
	Director	Representative: Chang Hsu Ke Wei HK Realty Limited	- 84,543 thousand (CNY 19,638 thousand)	- 100.00%
	General Manager	Representative: Su I-Chieh Chiu Hsiang-Kuo	- -	- -
Shanghai Sinyi Real Estate Inc.	Chairperson	INANE INTERNATIONAL LIMITED	1,264,087 thousand (CNY 293,632 thousand)	100.00%
	Director	Representative: Chou Wang Mei-Wen INANE INTERNATIONAL LIMITED	- 1,264,087 thousand (CNY 293,632 thousand)	- 100.00%
	Director	Representative: Chou Chun-Chi INANE INTERNATIONAL LIMITED	- 1,264,087 thousand (CNY 293,632 thousand)	- 100.00%
	General Manager	Representative: Hung Chien-Huan Chang Chien-Ping	- -	- -
Beijing Sinyi Real Estate Ltd.	Chairperson	INANE INTERNATIONAL LIMITED	149,584 thousand (CNY 34,747 thousand)	100.00%
	Director	Representative: Hung Chien-Huan INANE INTERNATIONAL LIMITED	- 149,584 thousand (CNY 34,747 thousand)	- 100.00%
	Director	Representative: Chou Chun-Chi INANE INTERNATIONAL LIMITED	- 149,584 thousand (CNY 34,747 thousand)	- 100.00%
	Director	Representative: Chou Wang Mei-Wen INANE INTERNATIONAL LIMITED	- -	- -
Shanghai Zhi Xin allograph Ltd.	Chairperson	INANE INTERNATIONAL LIMITED	51,524 thousand (CNY 11,968 thousand)	100.00%
		Representative: Chueh Chien-Ping	-	-

(Continued)

Company name	Title	Name/Representatives	Holding shares	
			Shares or investment amount	Ownership%
	Director	INANE INTERNATIONAL LIMITED Representative: Chou Chun-Chi	51,524 thousand (CNY 11,968 thousand)	100.00%
	Director	INANE INTERNATIONAL LIMITED Representative: Chou Wang Mei-Wen	51,524 thousand (CNY 11,968 thousand)	100.00%
	General Manager	Niu,Tan-Yen	-	-
Shanghai Shang Tuo Investment Management Consulting Inc.	Chairperson	FOREVER SUCCESS INTERNATIONAL LTD. Representative: Chen Chin-Hong	25,660 thousand (CNY 5,961 thousand)	100.00%
	Director	FOREVER SUCCESS INTERNATIONAL LTD. Representative: Hsu Hung-Chih	25,660 thousand (CNY 5,961 thousand)	100.00%
	Director	FOREVER SUCCESS INTERNATIONAL LTD. Representative: Liu Yuan-Chih	25,660 thousand (CNY 5,961 thousand)	100.00%
Hua Yun Renovation (Shanghai) Co., Ltd.	Chairperson	FOREVER SUCCESS INTERNATIONAL LTD. Representative: Hsu Hung-Chih	34,440 thousand (CNY 8,000 thousand)	100.00%
	Director	FOREVER SUCCESS INTERNATIONAL LTD. Representative: Chung Chung-Hua	34,440 thousand (CNY 8,000 thousand)	100.00%
	Director	FOREVER SUCCESS INTERNATIONAL LTD. Representative: Chen Chih-Huan	34,440 thousand (CNY 8,000 thousand)	100.00%
	Supervisor	FOREVER SUCCESS INTERNATIONAL LTD. Representative: Chu Tzu-Lin	34,440 thousand (CNY 8,000 thousand)	100.00%
				-

(Continued)

Company name	Title	Name/Representatives	Holding shares	
			Shares or investment amount	Ownership%
Kunshan Dingxian Trading Co., Ltd.	Chairperson	SINYI DEVELOPMENT LTD. Representative: Chung Chung-Hua	25,830 thousand (CNY 6,000 thousand)	100.00%
	Director	SINYI DEVELOPMENT LTD. Representative: Chen Chih-Huan	-	-
	Director	SINYI DEVELOPMENT LTD. Representative: Su I-Chieh	25,830 thousand (CNY 6,000 thousand)	100.00%
	Supervisor	SINYI DEVELOPMENT LTD. Representative: Chu Tzu-Lin	-	-
			25,830 thousand (CNY 6,000 thousand)	100.00%
Sinyi Real Estate (Shanghai) Limited	Chairperson	Sinyi Real Estate (Hong Kong) Limited Representative: Chen Chin-Hong	3,454,819 thousand (CNY 802,513 thousand)	100.00%
	Director	Sinyi Real Estate (Hong Kong) Limited Representative: Chou Chun-Chi	-	-
	Director	Sinyi Real Estate (Hong Kong) Limited Representative: Chung Chung-Hua	3,454,819 thousand (CNY 802,513 thousand)	100.00%
	Supervisor	Sinyi Real Estate (Hong Kong) Limited Representative: Su I-Chieh	-	-
			3,454,819 thousand (CNY 802,513 thousand)	100.00%
Shanghai Chang Yuan Co., Ltd.	Director	Shanghai Shang Tuo Investment Management Consulting Inc. Representative: Chung Chung-Hua	9,471 thousand (CNY 2,200 thousand)	100.00%

(Continued)

Company name	Title	Name/Representatives	Holding shares	
			Shares or investment amount	Ownership%
	Supervisor	Shanghai Shang Tuo Investment Management Consulting Inc. Representative: Chen Chih-Huan	9,471 thousand (CNY2,200 thousand) -	100.00% -
Suzhou Sinyi Real Estate Inc.	Chairperson	Shanghai Sinyi Real Estate Inc Representative: Su I-Chieh	292,740 thousand (CNY 68,000 thousand) -	100.00% -
	Director	Shanghai Sinyi Real Estate Inc Representative: Liu Yuan-Chih	292,740 thousand (CNY 68,000 thousand) -	100.00% -
	Director	Shanghai Sinyi Real Estate Inc Representative: Chang Chien-Ping	292,740 thousand (CNY 68,000 thousand) -	100.00% -
	Supervisor	Shanghai Sinyi Real Estate Inc Representative: Chung Chung-Hua	292,740 thousand (CNY 68,000 thousand) -	100.00% -
	General Manager	Chien Ming-Sheng	- -	- -
Zhejiang Sinyi Real Estate Co., Ltd.	Chairperson	Shanghai Sinyi Real Estate Inc. Representative: Su I-Chieh	117,096 thousand (CNY 27,200 thousand) -	100.00% -
	Director	Shanghai Sinyi Real Estate Inc. Representative: Chou Chuang-Yun	117,096 thousand (CNY 27,200 thousand) -	100.00% -
	Director	Shanghai Sinyi Real Estate Inc. Representative: Chung Chung-Hua	117,096 thousand (CNY 27,200 thousand) -	100.00% -
	Supervisor	Shanghai Sinyi Real Estate Inc. Representative: Chen Chih-Huan	117,096 thousand (CNY 27,200 thousand) -	100.00% -
	General Manager	Chang Chien-Ping	-	-

(Continued)

Company name	Title	Name/Representatives	Holding shares	
			Shares or investment amount	Ownership%
Jiaxing Zhi Zheng Real Estate Marketing Planning Inc.	Chairperson	Shanghai Sinyi Real Estate Inc	431 thousand (CNY 100 thousand)	100.00%
	Director	Representative: Chen Jung-Chih Shanghai Sinyi Real Estate Inc	431 thousand (CNY 100 thousand)	- 100.00%
	Director	Representative: Su I-Chieh Shanghai Sinyi Real Estate Inc	- 431 thousand (CNY 100 thousand)	- 100.00%
	Supervisor	Representative: Kuo Fang-Wei Shanghai Sinyi Real Estate Inc	- 431 thousand (CNY 100 thousand)	- 100.00%
		Representative: Chou Hao-Kang	-	-
Jiu Xin Estate (Wuxi) Limited	Chairperson	Sinyi Real Estate (Hong Kong) Limited	6,205,860 thousand (USD 207,000 thousand)	100.00%
	Director	Representative: Chung Chung-Hua Sinyi Real Estate (Hong Kong) Limited	- 6,205,860 thousand (USD 207,000 thousand)	- 100.00%
	Director	Representative: Chou Chun-Chi Sinyi Real Estate (Hong Kong) Limited	- 6,205,860 thousand (USD 207,000 thousand)	- 100.00%
	Supervisor	Representative: Chen Chin-Hong Sinyi Real Estate (Hong Kong) Limited	- 6,205,860 thousand (USD 207,000 thousand)	- 100.00%
	General Manager	Representative: Wang Min-Feng Hsu Hung-Chih	- -	- -
Lunheng Business Management (Shanghai) Ltd.	Director	Hua Yun Renovation (Shanghai) Co., Ltd.	49,077 thousand (CNY 11,400 thousand)	100.00%
		Representative: Chung Chung-Hua	-	-

(Continued)

Company name	Title	Name/Representatives	Holding shares	
			Shares or investment amount	Ownership%
	Supervisor	Hua Yun Renovation (Shanghai) Co., Ltd. Representative: Chen Chih-Huan	49,077 thousand (CNY 11,400 thousand) -	100.00% -
Suzhou Zhi Xin Real Estate Co., Ltd.	Director	Suzhou Zhi Xin Real Estate Co., Ltd. Representative: Chueh Chien-Ping	12,915 thousand (CNY 3,000 thousand) -	100.00% -
	Director	Suzhou Zhi Xin Real Estate Co., Ltd. Representative: Su I-Chieh	12,915 thousand (CNY 3,000 thousand) -	100.00% -
	Director	Suzhou Zhi Xin Real Estate Co., Ltd. Representative: Niu Tan-Yen	12,915 thousand (CNY 3,000 thousand) -	100.00% -
	Supervisor	Suzhou Zhi Xin Real Estate Co., Ltd. Representative: Chou Hao-Kang	12,915 thousand (CNY 3,000 thousand) -	100.00% -
	General Manager	Nieh Hsiao-Feng	- -	- -
SinYeh Enterprise Management (Shanghai) Limited.	Director	Sinyi Real Estate (Shanghai) Limited Representative: Chen Chin-Hong	1,722,000 thousand (CNY 400,000 thousand) -	100.00% -
	Director	Sinyi Real Estate (Shanghai) Limited Representative: Chou Chun-Chi	1,722,000 thousand (CNY 400,000 thousand) -	100.00% -
	Director	Sinyi Real Estate (Shanghai) Limited Representative: Hsu Hung-Chih	1,722,000 thousand (CNY 400,000 thousand) -	100.00% -
	Supervisor	Sinyi Real Estate (Shanghai) Limited Representative: Chen Chih-Huan	1,722,000 thousand (CNY 400,000 thousand) -	100.00% -

Note: Chengdu Sinyi Real Estate Co., Ltd and Wu Pu Co., Ltd. had been liquidated in June and November 2019, respectively.

(6) Affiliates' Operating Highlights

Unit: in NT\$ thousands except for EPS in dollar

Company name	Paid-in capital	Total assets	Total liabilities	Net worth	Operating revenue	Operating income (loss)	Net income(loss) (after tax)	EPS (NT\$, after tax)
<u>Control Company</u>								
Sinyi Realty Inc.	\$ 7,368,465	\$ 26,024,227	\$15,147,857	\$ 10,876,370	\$ 9,476,074	\$ 1,725,386	\$ 1,262,934	\$ 1.71
<u>Affiliated Company</u>								
SINYI INTERNATIONAL LIMITED	10,350,236	11,241,168	-	11,241,168	-	(1)	190,298	(0.55)
SINYI LIMITED	2,061,934	1,386,990	9,653	1,377,337	-	(2,368)	(134,676)	(1.98)
Sinyi Development Inc.	2,035,000	3,096,807	1,296,189	1,800,618	105,497	(155,450)	(153,355)	(0.75)
Sinyi Global Asset Management Co., Ltd.	50,000	187,257	100,851	86,406	132,765	22,685	18,749	3.75
Heng-Yi Intelligent Technology Inc.	28,000	4,804	46	4,758	93	(10,141)	(10,152)	(3.89)
Sinyi Real Estate Consulting Limited	5,000	83,232	79,715	3,517	123,183	3,975	4,255	8.51
Sinyi Culture Publishing Inc.	5,000	2,939	716	2,223	431	191	195	-
Jui-Inn Consultants Co., Ltd.	5,000	1,068	-	1,068	-	(81)	(80)	(0.16)

(Continued)

Company name	Paid-in capital	Total assets	Total liabilities	Net worth	Operating revenue	Operating income (loss)	Net income (loss) (after tax)	EPS (NT\$, after tax)
An-Sin Real Estate Management Ltd.	150,000	257,882	30,035	227,847	112,437	22,930	29,612	1.97
Yowoo Technology Inc.	100,000	53,882	28,182	25,700	37,998	(42,609)	(41,249)	(5.15)
SIN CHIUN HOLDING SDN. BHD.	1,198,748	1,153,569	623	1,152,946	-	(7,335)	(16,308)	(0.31)
INANE INTERNATIONAL LIMITED	1,557,036	737,357	301	737,056	-	(2)	(133,850)	(2.43)
Ke Wei HK Realty Limited	80,946	502	707	(205)	-	(47)	(11,989)	(4.48)
FOREVER SUCCESS INTERNATIONAL LIMITED	66,443	177,275	-	177,275	-	-	148,889	67.18
Sinyi Realty Japan Inc.	44,160	548,395	237,400	310,995	255,798	19,077	35,704	2.23
SINYI DEVELOPMENT LTD.	4,002,516	5,047,635	-	5,047,635	-	-	182,516	1.37
SINYI ESTATE LTD.	6,250,830	5,716,603	-	5,716,603	-	(1)	(165,289)	(0.79)
MAX SUCCESS INTERNATIONAL LIMITED	47,488	10,847	-	10,847	-	-	-	-

(Continued)

Company name	Paid-in capital	Total assets	Total liabilities	Net worth	Operating revenue	Operating income (loss)	Net income (loss) (after tax)	EPS (NT\$, after tax)
An-Shin Real Estate Management Ltd.	100,000	151,331	72,623	78,708	105,500	13,179	10,523	1.05
RICHESS MANAGEMENT CO., LTD.	8,280	248,313	195,191	53,122	69,701	5,973	10,321	17,202.19
Tokyo Sinyi Real Estate Co., Ltd.	5,000	32,684	12,613	20,071	39,343	(2,391)	3,415	6.83
Sinyi Real Estate (Hong Kong) Limited	3,961,252	4,935,513	2,898	4,932,615	2,117	(4,270)	140,556	1.07
Sinyi Real Estate (Hong Kong) Limited	6,205,860	5,672,084	345	5,671,739	-	(4)	(165,290)	(0.80)
Da-Chia Construction Co., Ltd.	500	146	-	146	-	(57)	(57)	(1.14)
Sinyi Real Estate Co., Ltd.	500	70	-	70	-	(57)	(57)	(1.14)
PEGUSUS HOLDING SDN. BHD.	34,606	15,702	-	15,702	-	(74)	(4,858)	(2,428,774)
FIDELITY PROPERTY CONSULTANT SDN.BHD.	66,778	44,465	15,586	28,879	16,931	(9,853)	(9,378)	(1.35)
Wu Pu Co., Ltd.(Note2)	-	4	-	4	-	(66)	(66)	(1.32)
Ke Wei Shanghai Real Estate Management Consulting Inc.	84,543	10,244	10,301	(57)	3,142	(11,793)	(11,944)	-
Shanghai Sinyi Real Estate Inc	1,264,087	1,025,585	288,817	736,768	161,089	(103,433)	(109,730)	-

(Continued)

Company name	Paid-in capital	Total assets	Total liabilities	Net worth	Operating revenue	Operating income (loss)	Net income (after tax)	EPS (NT\$, after tax)
Beijing Sinyi Real Estate Ltd.	149,584	33,467	53,910	(20,443)	-	(4,228)	(3,682)	-
Shanghai Zhi Xin allograph Ltd	51,524	25,953	6,137	19,816	16,316	(1,866)	(11,937)	-
Chengdu Sinyi Real Estate Co., Ltd.(Note 3)	-	-	-	-	-	(125)	-	-
Shanghai Shang Tuo Investment Management Consulting Inc.	25,660	54,190	10,461	43,729	45,321	25,511	20,884	-
Hua Yun Renovation (Shanghai) Co., Ltd.	34,440	137,886	4,959	132,927	16,742	127,436	128,003	-
Kunshan Dingxian Trading Co., Ltd.	25,830	586,470	472,096	114,374	101,977	49,158	41,928	-
Sinyi Real Estate (Shanghai) Limited	3,454,819	6,611,456	1,687,446	4,924,010	1,536,039	451,970	158,407	-
Shanghai Chang Yuan Co., Ltd.	9,471	14,160	5,175	8,985	22,095	547	540	-
Suzhou Sinyi Real Estate Inc.	292,740	658,679	387,709	270,970	418,329	(14,903)	(21,009)	-
Zhejiang Sinyi Real Estate Co., Ltd.	117,096	74,173	64,498	9,675	23,975	(9,322)	(11,199)	-

(Continued)

Company name	Paid-in capital	Total assets	Total liabilities	Net worth	Operating revenue	Operating income (loss)	Net income (after tax)	EPS (NT\$, after tax)
Jiaxing Zhi Zheng Real Estate Marketing Planning Inc.	431	1,039	-	1,039	2,389	89	17	-
Jiu Xin Estate(Wuxi) Limited	5,859,348	7,273,197	1,600,981	5,672,216	-	(173,473)	(165,286)	-
Suzhou Zhi Xin Real Estate Co., Ltd.	12,915	11,070	7,999	3,071	1,668	(86,124)	(10,207)	-
Lunheng Business Management (Shanghai) Ltd.	49,077	139,516	90,763	48,753	-	(262)	(240)	-
SinYeh Enterprise Management (Shanghai) Limited.	1,722,000	1,732,277	430	1,731,847	-	(1,551)	(21,707)	-
Lian Yue Traffic Inc.	30,800	11,998	812	11,186	3,586	(115)	22,291	-

Note1: Exchange rate as of December 31: 1/29.98; NTD/CNY =1/4.305; NTD/JPY=1/0.2760; NTD/MYR=1/7.330; NTD/HKD=1/3.849

Average exchange rate: NTD/USD=1/30.912; NTD/CNY =1/4.472 NTD/JPY=1/0.2837; NTD/MYR=1/7.4545; NTD/HKD=1/3.945

Note2: Wu Pu Co., Ltd. had been liquidated in November 2019.

Note3: Chengdu Sinyi Real Estate Co., Ltd. had been liquidated in June 2019.

(7) Consolidated Financial Statements of affiliates

DECLARATION

The companies required to be included in the consolidated financial statements of affiliates in accordance with the “Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises” for the year ended December 31, 2019 are all the same as the companies required to be included in the consolidated financial statements of parent and subsidiary companies as provided in International Accounting Standard 10 “Consolidated and Separate Financial Statements”. Relevant information that should be disclosed in the consolidated financial statements of affiliates has all been disclosed in the consolidated financial statements of parent and subsidiary companies. Hence, we do not prepare a separate set of consolidated financial statements of affiliates.

Very truly yours,

SINYI REALTY INC.

By

February 27, 2020

(8) Affiliation report

A. DECLARATION OF THE COMPANY

DECLARATION

It is hereby declared that the affiliation report of Sinyi Realty Inc. (the “Company”) for the year ended December 31, 2019 is prepared by the Company in accordance with “Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises”. There are no significant inconsistencies between the information disclosed in the affiliation report and in the notes of financial statements for the above period.

Very truly yours,

SINYI REALTY INC.

By

February 27, 2020

(2)THE INDEPENDENT AUDITORS’ OPINION ON AFFILIATION REPORT

B. AFFILIATION REPORT OF INDEPENDENT AUDITORS’ REVIEW REPORT

The Board of Directors
Sinyi Realty Inc.

We have audited the 2019 financial statements of Sinyi Realty Inc. (the “Company”) in accordance with the Rules Governing the Audit of Financial Statements by Certified Public Accountants and auditing standards generally accepted in the Republic of China and issued an audit report with an unqualified opinion with emphasis of matters on February 27, 2020. The objectivity of the audit is to express opinion on the overall fairness of the financial statements. The affiliation report for 2018 attached is prepared by the Company in accordance with “Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises”. We have conducted the necessary review procedures including acquiring the representation letter and checking the related financial information of the affiliation report.

In our opinion, the Company’s affiliation report for 2019 is prepared in accordance with “Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises” and the financial information of the affiliation report is consistent with those in financial statements and no significant amendments are needed.

February 27, 2020

(3) Relationship between affiliated and controlling companies:

Unit: share; %

Control Company Name	Reason for Control	Holding and pledged shares of Control Company			Directors, supervisors or managers assigned by the Control Company	
		Holding shares	Ownership %	Pledged shares	Title	Name
Yu-Heng Co., Ltd.	Indirect ownership of the Company through the following companies: Sinyi Co., Ltd.	210,238,285	28.53%		Chairperson	Chueh Chien-Ping
	Yu-Hao Co., Ltd.	208,937,108	29.24%		Vice-Chairperson	Chou Wang Mei-Wen
					-	-

(4) Transactions between affiliated and controlling companies: None.

(5) Endorsements between affiliated and controlling companies: None.

(6) Other matters between affiliated and controlling companies which have material impact on the financial and business affairs: None.

II. In latest fiscal year and as of the printing date of this Annual Report, the status of Conducting Private Placements of Securities: None.

III. In latest fiscal year and as of the printing date of this Annual Report, the details of the Company's subsidiaries' holding or disposing the Company's shares: None.

IV. Other necessary supplementary description matters: In accordance with the regulations in Article 13 of "Code of Ethics of Directors and Managers" of the Company, the Code is disclosed as follows:

Sinyi Realty Inc.

Guidelines for the Adoption of Codes of Ethical Conduct for Directors and Managerial Officers

Date: 1997.12.28 (Announced)

Article 1

To ensure the ethical conduct of the Company's directors and managerial officers to comply with the related regulations and protect the interests of the Company and the shareholders when the directors and managerial officers engage in the business operations for the Company based on the exercise of their power, The Company set forth the Guidelines for the Adoption of Codes of Ethical Conduct for Directors and Managerial Officers (hereinafter, "the Guidelines")

Article 2

The Guidelines applies to the Company's directors and managerial officers (including the general manager, vice general managers, deputy assistant general managers, chief financial and chief accounting officers and other persons authorized to manage affairs and sign documents on behalf of a company).

Article 3

The directors and managerial officers shall deal with the Company's affair in the honest, faithful, law-abiding, just, fair and ethical and moral self-disciplined manner and follow the related laws and regulations, the Company's articles of incorporation and resolutions of the shareholders meeting.

Article 4

The directors and managerial officers shall recuse any conflicts of interest when personal interest intervenes or is likely to intervene in the overall interest of the Company , as for example when a director or managerial officer of the Company is unable to perform his/her duties in an objective and efficient manner, or when a person in such a position takes advantage of his/her position in the Company to obtain improper benefits for either himself/herself or his/her spouse, parents, children, or relatives within the second degree of kinship.

The directors and managerial officers shall voluntarily explain to the Company's board of directors any affairs which conflicts of interest may occur. The related laws and the Company's regulations shall be abided by under the considerations of the Company's best interest, especially when the Company provides loans of funds, provisions of guarantees, and major asset transactions or the purchase (or sale) of goods involving the affiliated enterprise at which a director or managerial officer works.

Article 5

The directors and managerial officers shall maintain or increase the Company's reasonable and proper benefits. The directors and managerial officers shall not obtaining personal gain by using the Company's property or information or taking advantage of their positions and shall not operate any business which is the same as that of the Company unless they get approval of shareholders meeting or board of directors under the related laws or the Company's articles of incorporation.

Article 6

The directors and managerial officers shall be bound by the obligation to maintain the confidentiality of any information regarding the Company itself or its suppliers and customers, except when authorized or required by law to disclose such information. Confidential information includes any undisclosed information that, if exploited by a competitor or disclosed, could result in damage to the Company or the suppliers and customers.

Article 7

The directors and managerial officers shall not treat all suppliers and customers, competitors, and employees unfairly and obtain improper benefits through manipulation, nondisclosure, or misuse of the information learned by virtue of their positions, or through misrepresentation of important matters, or through other unfair trading practices.

Article 8

The directors and managerial officers have the responsibility to safeguard company assets and to ensure that they can be effectively and lawfully used for official business purposes; any theft, negligence in care, or waste of the assets will all directly impact the company's profitability.

Article 9

The directors and managerial officers shall comply with the Company Act, the Securities and Exchange Act and other applicable laws, regulations, and bylaws and abide by the Company's regulations. The Company shall also at all times provide the newest amendments of laws and its regulations to the directors and managerial officers.

Article 10

the Company's employees shall report to its independent directors or chief internal auditor upon suspicion or discovery of any activity in violation of a law or regulation or the code of ethical conduct. After the violation reporting case has been clarified and recognized, the Company shall provide incentive according to its personnel management rules. The Company shall properly handle the violation reporting information in a confidential and responsible way and shall do its best efforts to protect the safety of good-will reporters and protect them from threats of any forms. Any hostile and dishonest reporters should be enlightened and shall be punished to improve conduct if necessary.

Article 11

When the directors and managerial officers violate the Guidelines, the Company shall inform and punish the violators according to the laws and the Company's personnel management rules and without delay disclose on the Market Observation Post System (MOPS) the title and name of violator, the date of the violation by the violator, reasons for the violation, the provisions of the code violated, and the disciplinary actions taken.

Article 12

Any directors and managerial officers need exemption from compliance with the code shall be adopted by a resolution of the board of directors, and that information on the title and name of persons of exemption, the date on which the board of directors adopted the resolution for exemption, objections or reservations of independent directors, and the period of, reasons for, and principles behind the application of the exemption be disclosed without delay on the MOPS, in order that the shareholders may evaluate the appropriateness of the board resolution to forestall any arbitrary or dubious exemption from the code, and to safeguard the interests of the company.

Article 13

The Guidelines shall be disclosed in its annual reports and prospectuses and on the MOPS.

Article 14

The Guidelines, and any amendments hereto, shall be proposed by the board of directors and reported at the shareholders meeting.

Chapter Ten. Matters with Major Impact

I. The matters with a major impact on the shareholders' equity or securities price set forth in Item 2, Section 2 of Article 36 of Securities and Exchange Act of the latest year and as of the printing date of the annual report: None.



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