

Sinyi Realty Inc. and Subsidiaries

**Consolidated Financial Statements as of and for the
Nine Months Ended September 30, 2020 and 2019 and
Independent Auditors' Review Report**

INDEPENDENT AUDITORS' REVIEW REPORT

The Board of Directors and Stockholders
Sinyi Realty Inc.

Introduction

We have reviewed the accompanying consolidated balance sheets of Sinyi Realty Inc. (the "Company") and its subsidiaries (collectively referred to as the "Group") as of September 30, 2020 and 2019 and the related consolidated statements of comprehensive income for the three months ended September 30, 2020 and 2019, nine months ended September 30, 2020 and 2019, and changes in equity and cash flows for the nine months ended September 30, 2020 and 2019. (including summary of significant accounting policy) for the nine months then ended. These consolidated financial statements, which are prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Accounting Standard 34 "Interim Financial Reporting" endorsed by the Financial Supervisory Commission of the Republic of China, are the responsibility of the Company's management. Our responsibility is to issue a report on these financial statements based on our reviews.

Scope

Except for those described in the following paragraph of basis on qualified conclusion, we conducted our reviews in accordance with Statement of Auditing Standards No. 65 "Review of Financial Statements". A review consists of inquiries (mainly persons responsible for financial and accounting matters), analytical procedures and other review procedures. It is substantially less in scope than an audit conducted in accordance with auditing standards generally accepted in the Republic of China. Therefore, we may not aware of all material events which can be identified by conducting audit procedures. Accordingly, we do not express such an opinion.

Basis of qualified conclusion

As stated in Note 12 to the consolidated financial statements, some non-significant subsidiaries' financial statements and partial related information mentioned in Note 41 were unreviewed. As of September 30, 2020 and 2019, such subsidiaries' total assets were 33% (\$10,278,937 thousand) and 21% (\$6,637,331 thousand), respectively, of the consolidated assets, and their total liabilities were 18% (\$3,746,506 thousand) and 10% (\$2,068,967 thousand), respectively, of the consolidated liabilities. The total comprehensive income of these subsidiaries were (6%) ((\$44,652) thousand) and 66% ((\$226,213) thousand) of consolidated comprehensive income for the three months ended September 30, 2020 and 2019, respectively, and were (102%) ((\$541,006) thousand) and (34%) ((\$249,187) thousand) of consolidated comprehensive income for the nine months ended September 30, 2020 and 2019, respectively.

Qualified conclusion

Based on our reviews, except for the effects of adjustments, if any, as might have been required had the financial statements of these non-significant subsidiaries and related information mentioned described in the preceding paragraph been reviewed, we are not aware of any material modifications that should be made to the consolidated financial statements referred to in the first paragraph for them to be in conformity with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Accounting Standard 34 "Interim Financial Reporting" endorsed by the Financial Supervisory Commission of the Republic of China.

The engagement partners on the review resulting in this independent auditors' review report are Wen-Yea Shyu and Kwan-Chung Lai.

October 28, 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 review such consolidated financial statements are those generally applied in the Republic of China.

For the convenience of readers, the independent auditors' review 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' review report and consolidated financial statements shall prevail.

SINYI REALTY INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
(In Thousands of New Taiwan Dollars)

ASSETS	September 30, 2020 (Reviewed)		December 31, 2019 (Audited)		September 30, 2019 (Reviewed)	
	Amount	%	Amount	%	Amount	%
CURRENT ASSETS						
Cash and cash equivalents (Note 6)	\$ 6,143,093	20	\$ 7,480,172	24	\$ 8,567,801	27
Financial assets at fair value through profit or loss - current (Note 7)	115,641	-	74,633	-	81,113	-
Financial assets at fair value through other comprehensive income - current (Note 8)	539,008	2	999,379	3	908,014	3
Notes receivable (Note 9)	67,796	-	45,814	-	48,748	-
Trade receivables (Notes 9 and 35)	1,261,606	4	1,040,300	3	910,752	3
Other receivables (Notes 9 and 35)	61,102	-	34,573	-	34,674	-
Current tax asset (Note 4)	20,108	-	23,501	-	28,665	-
Inventories (Notes 10 and 36)	11,114,075	36	10,682,189	34	10,667,829	34
Other financial assets - current (Notes 11 and 36)	138,705	-	239,049	1	128,745	1
Other current assets (Note 18)	248,751	1	101,419	-	196,973	1
Total current assets	19,709,885	63	20,721,029	65	21,573,314	69
NON-CURRENT ASSETS						
Financial assets at fair value through other comprehensive income - non-current (Note 8)	268,444	1	349,958	1	338,843	1
Investment accounted for using equity method (Note 13)	35,889	-	31,900	-	30,688	-
Property, plant and equipment (Notes 14 and 36)	3,499,249	11	3,495,635	11	3,542,585	11
Right-of-use assets (Note 15)	4,989,132	16	4,320,872	14	3,308,932	11
Investment properties (Notes 16 and 36)	2,221,012	7	2,255,011	7	2,070,499	7
Intangible assets (Notes 17,31 and 38)	88,421	-	97,281	-	102,961	-
Deferred tax assets (Note 4)	239,816	1	212,534	1	149,022	1
Refundable deposits	124,759	1	122,928	1	127,417	-
Other non-current assets (Note 18)	3,952	-	63,635	-	105,096	-
Total non-current assets	11,470,674	37	10,949,754	35	9,776,043	31
TOTAL	\$ 31,180,559	100	\$31,670,783	100	\$ 31,349,357	100
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Contract liabilities - current (Notes 22 and 27)	\$ 1,146,659	4	\$ 284,387	1	\$ 131,493	-
Notes payable	290	-	319	-	404	-
Trade payable (Note 21)	173,449	-	379,619	1	499,627	2
Other payables (Notes 23 and 35)	2,548,646	8	2,618,266	8	2,177,149	7
Current tax liabilities (Note 4)	1,174,401	4	941,277	3	1,042,123	3
Provisions - current (Note 24)	7,016	-	9,374	-	8,427	-
Lease liabilities - current (Notes 4,15 and 35)	501,024	2	488,421	2	500,705	2
Current portion of long-term borrowings and bonds payable (Notes 19, 20 and 36)	722,893	2	25,295	-	216,136	1
Other current liabilities (Note 23)	176,649	1	119,104	-	159,400	-
Total current liabilities	6,451,027	21	4,866,062	15	4,735,464	15
NON-CURRENT LIABILITIES						
Bonds payable (Note 20)	4,600,000	15	5,300,000	17	4,400,000	14
Long-term borrowings (Notes 19 and 36)	5,530,343	18	6,873,817	22	7,773,312	25
Lease liabilities - non-current (Notes 4,15 and 35)	2,933,465	9	2,795,104	9	2,813,671	9
Net defined benefit liabilities - non-current (Note 4)	149,851	-	157,406	-	109,371	-
Guarantee deposits received	34,250	-	35,190	-	35,326	-
Other non-current liabilities (Note 23)	847,307	3	653,501	2	609,621	2
Deferred tax liabilities (Note 4)	3,146	-	1,672	-	35,219	-
Total non-current liabilities	14,098,362	45	15,816,690	50	15,776,520	50
Total liabilities	20,549,389	66	20,682,752	65	20,511,984	65
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Note 26)						
Share capital						
Ordinary shares	7,368,465	24	7,368,465	23	7,368,465	24
Capital surplus	63,896	-	63,896	-	63,896	-
Retained earnings						
Legal reserve	2,345,792	8	2,224,122	7	2,224,122	7
Special reserve	587,315	2	240,436	1	240,436	1
Unappropriated earnings	1,335,159	4	1,566,765	5	1,351,732	4
Total retained earnings	4,268,266	14	4,031,323	13	3,816,290	12
Other equity						
Exchange differences on translating foreign operations	(1,352,620)	(4)	(1,196,665)	(4)	(1,027,680)	(3)
Unrealized gain from financial assets measured at fair value through other comprehensive income	163,489	-	609,351	2	508,145	1
Total other equity	(1,189,131)	(4)	(587,314)	(2)	(519,535)	(2)
Total equity attributable to owners of the Company	10,511,496	34	10,876,370	34	10,729,116	34
NON-CONTROLLING INTERESTS (Note 26)	119,674	-	111,661	1	108,257	1
Total equity	10,631,170	34	10,988,031	35	10,837,373	35
TOTAL	\$ 31,180,559	100	\$ 31,670,783	100	\$ 31,349,357	100

The accompanying notes are an integral part of the consolidated financial statements.
(With Deloitte & Touche review report dated October 28, 2020)

SINYI REALTY INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (In Thousands of New Taiwan Dollars, Except Earnings Per Share) (Reviewed, Not Audited)

	Three Months Ended September 30				Nine Months Ended September 30			
	2020		2019		2020		2019	
	Amount	%	Amount	%	Amount	%	Amount	%
OPERATING REVENUE (Notes 27 and 35)								
Sales revenue	\$ 212,850	6	\$ 328,852	12	\$ 486,644	5	\$1,527,896	16
Service revenue	<u>3,434,667</u>	<u>94</u>	<u>2,516,980</u>	<u>88</u>	<u>8,452,536</u>	<u>95</u>	<u>7,776,799</u>	<u>84</u>
Total operating revenue	<u>3,646,517</u>	<u>100</u>	<u>2,845,832</u>	<u>100</u>	<u>8,939,180</u>	<u>100</u>	<u>9,304,695</u>	<u>100</u>
OPERATING COSTS (Notes 10, 28 and 35)								
Cost of sales	146,031	4	183,643	6	307,559	4	850,740	9
Service costs	<u>2,337,091</u>	<u>64</u>	<u>1,865,653</u>	<u>66</u>	<u>6,064,795</u>	<u>68</u>	<u>5,550,970</u>	<u>60</u>
Total operating costs	<u>2,483,122</u>	<u>68</u>	<u>2,049,296</u>	<u>72</u>	<u>6,372,354</u>	<u>72</u>	<u>6,401,710</u>	<u>69</u>
GROSS PROFIT	<u>1,163,395</u>	<u>32</u>	<u>796,536</u>	<u>28</u>	<u>2,566,826</u>	<u>28</u>	<u>2,902,985</u>	<u>31</u>
OPERATING EXPENSES								
Management expenses (Notes 28 and 35)	451,498	12	403,046	14	1,273,242	14	1,270,010	14
Expected credit losses (Note 9)	(343)	-	(7,637)	-	(1,864)	-	(1,810)	-
Total operating expenses	<u>451,155</u>	<u>12</u>	<u>395,409</u>	<u>14</u>	<u>1,271,378</u>	<u>14</u>	<u>1,268,200</u>	<u>14</u>
OPERATING INCOME	<u>712,240</u>	<u>20</u>	<u>401,127</u>	<u>14</u>	<u>1,295,448</u>	<u>14</u>	<u>1,634,785</u>	<u>17</u>
NON-OPERATING INCOME AND EXPENSES								
Rental income (Note 35)	26,068	1	20,778	1	67,518	1	62,195	1
Dividend income	13,009	-	9,517	-	24,694	-	22,849	-
Interest income (Note 28)	20,089	-	29,649	1	70,652	1	41,446	-
Other gains and losses (Notes 4, 28 and 35)	(2,457)	-	3,083	-	36,761	-	92,385	1
Finance costs (Notes 28 and 35)	(40,661)	(1)	(46,393)	(1)	(130,353)	(1)	(138,674)	(1)
Total non-operating income and expenses	<u>16,048</u>	<u>-</u>	<u>16,634</u>	<u>1</u>	<u>69,272</u>	<u>1</u>	<u>80,201</u>	<u>1</u>
PROFIT BEFORE INCOME TAX FROM CONTINUING OPERATIONS	728,288	20	417,761	15	1,364,720	15	1,714,986	18
INCOME TAX EXPENSE (Notes 4 and 29)	(166,576)	(4)	(230,082)	(8)	(416,060)	(4)	(699,848)	(7)
NET PROFIT FOR THE PERIOD	<u>561,712</u>	<u>16</u>	<u>187,679</u>	<u>7</u>	<u>948,660</u>	<u>11</u>	<u>1,015,138</u>	<u>11</u>
OTHER COMPREHENSIVE INCOME								
Items that will not be reclassified subsequently to profit or loss:								
Unrealized gain or loss on investments in equity instruments at fair value through other comprehensive income	(13,246)	(1)	(41,550)	(2)	(261,894)	(3)	64,190	1
Share of the other comprehensive gain of associates accounted for using the equity method	236	-	531	-	(663)	-	2,952	-

(Continued)

	Three Months Ended September 30				Nine Months Ended September 30			
	2020		2019		2020		2019	
	Amount	%	Amount	%	Amount	%	Amount	%
Items that may be reclassified subsequently to profit or loss:								
Exchange differences on translating foreign operations	\$ 208,801	6	(\$ 491,256)	(17)	(\$ 155,955)	(2)	(\$ 346,240)	(4)
Other comprehensive gain(loss) for the period, net of income tax	195,791	5	(532,275)	(19)	(418,512)	(5)	(279,098)	(3)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>\$ 757,503</u>	<u>21</u>	<u>(\$ 344,596)</u>	<u>(12)</u>	<u>\$ 530,148</u>	<u>6</u>	<u>\$ 736,040</u>	<u>8</u>
NET PROFIT ATTRIBUTABLE TO:								
Owner of the Company	\$ 556,764	16	\$ 181,137	7	\$ 937,854	11	\$ 1,005,436	11
Non-controlling interests	4,948	-	6,542	-	10,806	-	9,702	-
	<u>\$ 561,712</u>	<u>16</u>	<u>\$ 187,679</u>	<u>7</u>	<u>\$ 948,660</u>	<u>11</u>	<u>\$ 1,015,138</u>	<u>11</u>
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:								
Owner of the Company	\$ 752,555	21	(\$ 351,137)	(12)	\$ 519,342	6	\$ 726,337	8
Non-controlling interests	4,948	-	6,541	-	10,806	-	9,703	-
	<u>\$ 757,503</u>	<u>21</u>	<u>(\$ 344,596)</u>	<u>(12)</u>	<u>\$ 530,148</u>	<u>6</u>	<u>\$ 736,040</u>	<u>8</u>
EARNINGS PER SHARE (Note 30)								
From continuing operations								
Basic	\$ 0.76		\$ 0.25		\$ 1.27		\$ 1.36	
Diluted	\$ 0.76		\$ 0.25		\$ 1.27		\$ 1.36	

The accompanying notes are an integral part of the consolidated financial statements.
(With Deloitte & Touche review report dated October 28, 2020)

(Concluded)

SINYI REALTY INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(In Thousands of New Taiwan Dollars)

(Reviewed, Not Audited)

	Equity Attributable to Owners of the Company					Other Equity		Total	Non-controlling Interests	Total Equity
	Share Capital		Retained Earnings			Exchange Differences on Translating Foreign Operations	Unrealized Gain on Investments in Equity Instruments at Fair Value through Other Comprehensive (Loss) Income			
	Ordinary Share	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings					
BALANCE AT JANUARY 1, 2019	\$ 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 disposals of interests in subsidiaries	-	(632)	-	-	(3,769)	-	-	(4,401)	(599)	(5,000)
Net profit for the nine months ended September 30, 2019	-	-	-	-	1,005,436	-	-	1,005,436	9,702	1,015,138
Other comprehensive income (loss) for the nine months ended September 30, 2019, net of income tax	-	-	-	-	-	(346,241)	67,142	(279,099)	1	(279,098)
Total comprehensive income (loss) for the nine months ended September 30, 2019	-	-	-	-	1,005,436	(346,241)	67,142	726,337	9,703	736,040
BALANCE AT SEPTEMBER 30, 2019	<u>\$ 7,368,465</u>	<u>\$ 63,896</u>	<u>\$ 2,224,122</u>	<u>\$ 240,436</u>	<u>\$ 1,351,732</u>	<u>\$ (1,027,680)</u>	<u>\$ 508,145</u>	<u>\$ 10,729,116</u>	<u>\$ 108,257</u>	<u>\$ 10,837,373</u>
BALANCE AT JANUARY 1, 2020	\$ 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
Appropriation of 2019 earnings										
Legal Reserve	-	-	121,670	-	(121,670)	-	-	-	-	-
Special Reserve	-	-	-	346,879	(346,879)	-	-	-	-	-
Cash dividends	-	-	-	-	(884,216)	-	-	(884,216)	-	(884,216)
Net profit for the nine months ended September 30, 2020	-	-	-	-	937,854	-	-	937,854	10,806	948,660
Other comprehensive income (loss) for the nine months ended September 30, 2020, net of income tax	-	-	-	-	-	(155,955)	(262,557)	(418,512)	-	(418,512)
Total comprehensive income (loss) for the nine months ended September 30, 2020	-	-	-	-	937,854	(155,955)	(262,557)	519,342	10,806	530,148
Cash dividends distributed by subsidiaries	-	-	-	-	-	-	-	-	(2,793)	(2,793)
Disposal of investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	183,305	-	(183,305)	-	-	-
BALANCE AT SEPTEMBER 30, 2020	<u>\$ 7,368,465</u>	<u>\$ 63,896</u>	<u>\$ 2,345,792</u>	<u>\$ 587,315</u>	<u>\$ 1,335,159</u>	<u>\$ (1,352,620)</u>	<u>\$ 163,489</u>	<u>\$ 10,511,496</u>	<u>\$ 119,674</u>	<u>\$ 10,631,170</u>

The accompanying notes are an integral part of the consolidated financial statements.
(With Deloitte & Touche review report dated October 28, 2020)

SINYI REALTY INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

(Reviewed, Not Audited)

	Nine Months Ended September 30	
	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 1,364,720	\$ 1,714,986
Adjustments for:		
Depreciation expenses	507,881	495,592
Amortization expenses	21,536	24,656
Expected credit loss reversed on trade receivables	(1,864)	(1,810)
Net gain on financial assets at fair value through profit or loss	(329)	(67,175)
Finance costs	231,973	184,198
Interest income	(70,652)	(41,446)
Dividend income	(24,694)	(22,849)
Share of (gain) loss of associates and joint ventures	(4,728)	(739)
Loss(Gain) on disposal of property, plant and equipment	1,057	(445)
Gain on disposal of investment properties	(6,715)	(4,209)
Impairment loss on non-financial assets	38,832	24,434
Changes in operating assets and liabilities		
Financial assets mandatorily classified as at fair value through profit or loss	(40,741)	4,738,013
Notes receivable	(21,982)	4,007
Trade receivables	(219,442)	16,618
Other receivables	563	7,874
Inventories	(595,115)	148,935
Other current assets	(147,332)	(94,831)
Contract liabilities	862,272	(542,397)
Notes payable	(29)	(239)
Trade payables	(206,170)	(266,394)
Other payables	(91,864)	(19,081)
Provisions	(2,358)	2,105
Other current liabilities	57,545	(46,756)
Other operating liabilities	<u>186,251</u>	<u>89,989</u>
Cash used in operations	1,838,615	6,343,036
Interest received	68,534	41,993
Interest paid	(209,729)	(206,048)
Income taxes paid	<u>(205,351)</u>	<u>(840,689)</u>
Net cash used in operating activities	<u>1,492,069</u>	<u>5,338,292</u>

(Continued)

Nine Months Ended September 30
2020 **2019**

CASH FLOWS FROM INVESTING ACTIVITIES

Purchase of financial assets at fair value through other comprehensive income	(\$ 16,283)	(\$ 4,500)
Proceeds from sale of financial assets at fair value through other comprehensive income	280,361	-
Capital reduction and refund from financial assets measured at fair value through other comprehensive gains and losses	-	4,474
Payments for property, plant and equipment	(99,656)	(75,136)
Proceeds on disposal of property, plant and equipment	1,340	2,137
Increase in refundable deposits	(52,349)	-
Decrease in refundable deposits	-	383
Payment for intangible assets	(19,424)	(12,386)
Proceeds on disposal of intangible assets	-	691
Acquisition of the right-of-use assets	(531,915)	-
Payment for investment properties	-	(24,155)
Proceeds on disposal of investment properties	42,642	30,757
Decrease in other financial assets	100,344	26,961
Decrease (Increase) in other non-current assets	59,683	(102,871)
Dividend received	24,770	23,406
Other investing activities	(<u>24,974</u>)	<u>-</u>
Net cash used in investing activities	(<u>235,461</u>)	(<u>130,239</u>)

CASH FLOWS FROM FINANCING ACTIVITIES

Repayments of short-term borrowings	-	(748,000)
Repayment of bonds	-	(1,500,000)
Proceeds from long-term borrowings	13,152,748	14,414,489
Repayment of long-term borrowings	(14,574,171)	(11,760,056)
Refund of guarantee deposits received	(940)	(7,702)
Refund of lease liabilities	(407,449)	(372,435)
Dividends paid to non-controlling interests	(2,793)	-
Acquisition of subsidiaries	-	(5,000)
Dividends paid to owners of the Company	(<u>884,216</u>)	(<u>957,900</u>)
Net cash used in financing activities	(<u>2,716,821</u>)	(<u>936,604</u>)

EFFECT OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	<u>123,134</u>	(<u>254,901</u>)
(DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(1,337,079)	4,016,548
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	<u>7,480,172</u>	<u>4,551,253</u>
CASH AND CASH EQUIVALENTS, END OF PERIOD	<u>\$ 6,143,093</u>	<u>\$ 8,567,801</u>

The accompanying notes are an integral part of the consolidated financial statements.
(With Deloitte & Touche review report dated October 28, 2020)

(Concluded)

SINYI REALTY INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS NINE MONTHS ENDED SEPTEMBER 30, 2020 AND 2019 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise) (Reviewed, Not Audited)

1. GENERAL INFORMATION

Sinyi Realty Inc. (the “Company”) with the new Chinese name of “信義房屋股份有限公司” which was approved by its shareholders meeting held on May 24, 2019 to replace the former Chinese name of “信義房屋仲介股份有限公司”, was incorporated in January 1987 and engages in the operation of a full-service real-estate brokerage and real estate development 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 had been approved by the board of directors and authorized for issue on October 28, 2020.

3. APPLICATION OF NEW AND REVISED STANDARDS, AMENDMENTS 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 FSC.

Except for the following, the initial application of the IFRSs endorsed and issued into effect by the FSC did not have material impact on the Group’s accounting policies:

- Amendment to IFRS 16 “Covid-19-Related Rent Concessions”

The Group elected to apply the practical expedient provided in the amendment to IFRS 16 with respect to rent concessions negotiated with the lessor as a direct consequence of the COVID-19. Related accounting policies are stated in Note 4. Before the application of the amendment, the Group was required to determine whether the abovementioned rent concessions are lease modifications and thus have to be accounted for as lease modifications.

The Group applied the amendment from January 1, 2020. Retrospective application of the amendment has no impact on the retained earnings as of January 1, 2020.

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

New IFRSs	Effective Date Announced by IASB (Note 1)
“Annual Improvements to IFRS Standards 2018–2020”	January 1, 2022 (Note 2)
Amendments to IFRS 3 “Reference to the Conceptual Framework”	January 1, 2022 (Note 3)
Amendments to IFRS 4 “Extension of the Temporary Exemption from Applying IFRS 9”	Effective immediately upon promulgation by the IASB
Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 “Interest Rate Benchmark Reform - Phase 2”	January 1, 2021
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, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IAS 1 “Classification of Liabilities as Current or Non-current”	January 1, 2023
Amendments to IAS 16 “Property, Plant and Equipment - Proceeds before Intended Use”	January 1, 2022 (Note 4)
Amendments to IAS 37 “Onerous Contracts–Cost of Fulfilling a Contract”	January 1, 2022 (Note 5)

Note 1: Unless stated otherwise, the above New IFRSs are effective for annual reporting periods beginning on or after their respective effective dates.

Note 2: The amendments to IFRS 9 are applied prospectively to modifications and exchanges of financial liabilities that occur on or after the annual reporting periods beginning on or after January 1, 2022. The amendments to IAS 41 “Agriculture” are applied prospectively to the fair value measurements on or after the annual reporting periods beginning on or after January 1, 2022. The amendments to IFRS 1 “First-time Adoptions of IFRSs” are applied retrospectively for annual reporting periods beginning on or after January 1, 2022.

Note 3: The amendments are applicable 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, 2022.

Note 4: The amendments are applicable to property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after January 1, 2021.

Note 5: The amendments are applicable to contracts for which the entity has not yet fulfilled all its obligations on January 1, 2022.

As of the date the consolidated financial statements were authorized for issue, the Group is continuously assessing the possible impact that the application of other 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 POLICY

a. Statement of compliance

These interim consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and IAS 34 “Interim Financial Reporting” as endorsed and issued into effect by the FSC. Disclosure information included in these interim consolidated financial statements is less than the disclosure information required in a complete set of annual financial statements.

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 are grouped into Levels 1 to 3 based on the degree to which the fair value measurement inputs are observable and 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. Basis of consolidation

The principles of preparation of the consolidated financial statements are in line with 2019 consolidated financial statements. See Note 12 and Table 8 and 9 for the detailed information of subsidiaries (including the percentage of ownership and main business).

d. Other significant accounting policies

The accounting policies applied in these consolidated financial statements are consistent with those applied in the consolidated financial statements for the year ended December 31, 2019, except for those described below.

1) Retirement benefit costs

Pension cost for an interim period is calculated on a year-to-date basis by using the actuarially determined pension cost rate at the end of the prior financial year, adjusted for significant market fluctuations since that time and for significant curtailments, settlements, or other significant one-time events.

2) Income taxes

Income tax expense is the sum of the tax currently payable and deferred tax. Interim period income taxes are assessed on an annual basis and calculated by applying to an interim period's pre-tax income and the tax rate that would be applicable to expected total annual earnings.

3) Leases

The Group as lessee

The Group negotiates with the lessor for rent concessions as a direct consequence of the Covid-19 to change the lease payments originally due by June 30, 2021, that results in the revised consideration for the lease substantially less than the consideration for the lease immediately preceding the change. There is no substantive change to other terms and conditions. The Group elects to apply the practical expedient to all of these rent concessions, and therefore, does not assess whether the rent concessions are lease modifications. Instead, the Group recognizes the reduction in lease payment in profit or loss in the period in which the events or conditions that trigger the concession occurs, and makes a corresponding adjustment to the lease liability.

5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The same critical accounting judgments and key sources of estimation and uncertainty have been followed in these consolidated financial statements as were applied in the preparation of the consolidated financial statements for the year ended December 31, 2019.

6. CASH AND CASH EQUIVALENTS

	September 30, 2020	December 31, 2019	September 30, 2019
Cash on hand	\$ 18,898	\$ 15,301	\$ 23,371
Checking accounts and demand deposits	6,001,635	7,386,409	8,471,219
Cash equivalents			
Time deposits with original maturities less than three months	<u>122,560</u>	<u>78,462</u>	<u>73,211</u>
	<u>\$ 6,143,093</u>	<u>\$ 7,480,172</u>	<u>\$ 8,567,801</u>

The interest rates of cash in bank at the end of the reporting period were as follows:

	September 30, 2020	December 31, 2019	September 30, 2019
Cash in bank	0%-2.03%	0%-2.02%	0%-2.02%

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS - CURRENT

Financial assets at FVTPL - current

	September 30, 2020	December 31, 2019	September 30, 2019
Non-derivative financial assets			
Domestic quoted shares	\$ 6,674	\$ 6,513	\$ 7,128
Mutual funds	62,169	53,467	51,407
Structured financial products	<u>46,798</u>	<u>14,653</u>	<u>22,578</u>
	<u>\$ 115,641</u>	<u>\$ 74,633</u>	<u>\$ 81,113</u>

Structured financial products the Group bought from banks are structured time deposit with the expected yield rates of 0%-3%, 0%-4.35% and 0%-4.35% as of September 30, 2020, December 31, 2019 and September 30, 2019, respectively.

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	September 30, 2020	December 31, 2019	September 30, 2019
<u>Investment in equity instruments at FVTOCT</u>			
<u>Current</u>			
Domestic investments			
Listed shares	\$ 103,119	\$ 383,088	\$ 360,433
Foreign investments			
Listed shares	<u>435,889</u>	<u>616,291</u>	<u>547,581</u>
	<u>\$ 539,008</u>	<u>\$ 999,379</u>	<u>\$ 908,014</u>
<u>Non-current</u>			
Domestic investments			
Unlisted shares	\$ 119,051	\$ 95,532	\$ 103,943
Foreign investments			
Unlisted shares	<u>149,393</u>	<u>254,426</u>	<u>234,900</u>
	<u>\$ 268,444</u>	<u>\$ 349,958</u>	<u>\$ 338,843</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

	September 30, 2020	December 31, 2019	September 30, 2019
<u>Notes receivable</u>			
At amortized cost			
Operating -gross carrying amount	<u>\$ 67,796</u>	<u>\$ 45,814</u>	<u>\$ 48,748</u>
<u>Trade receivables</u>			
At amortized cost			
Gross carrying amount	1,274,537	1,055,219	926,451
Less: Allowance for doubtful accounts	(<u>12,931</u>)	(<u>14,919</u>)	(<u>15,699</u>)
	<u>\$ 1,261,606</u>	<u>\$ 1,040,300</u>	<u>\$ 910,752</u>
			(Continued)

	September 30, 2020	December 31, 2019	September 30, 2019
<u>Other receivables</u>			
Interest receivables	\$ 2,906	\$ 788	\$ 728
Others	63,464	39,053	39,214
Less: Allowance for impairment loss	(5,268)	(5,268)	(5,268)
	<u>\$ 61,102</u>	<u>\$ 34,573</u>	<u>\$ 34,674</u>
			(Concluded)

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 (including overdue receivables) based on the Group's provision matrix.

September 30, 2020

	Less than 60 Days	61 to 90 Days	91 to 180 Days	181 to 360 Days	Over 361 Days	Total
Expected credit loss rate (Note 1)	0%-0.5%	0%-0.5%	0%-0.5%	0%-0.5%	50%-100%	
Gross carrying amount	\$1,093,957	\$ 132,842	\$ 71,851	\$ 20,258	\$ 25,487	\$1,344,395
Refund liability (Note 2)	(44,725)	(8,555)	(5,281)	(2,999)	(2,062)	(63,622)
Loss allowance (Lifetime ECL)	(233)	(60)	(78)	(33)	(12,527)	(12,931)
Amortized cost	<u>\$1,048,999</u>	<u>\$ 124,227</u>	<u>\$ 66,492</u>	<u>\$ 17,226</u>	<u>\$ 10,898</u>	<u>\$1,267,842</u>

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 (Note 1)	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 2)	(41,463)	(4,365)	(2,705)	(2,252)	(1,271)	(52,056)
Loss allowance (Lifetime ECL)	(148)	(54)	(135)	(119)	(14,463)	(14,919)
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>

September 30, 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 (Note 1)	0%-0.5%	0%-0.5%	0%-0.5%	0%-0.5%	50%-100%	
Gross carrying amount	\$ 778,917	\$ 74,091	\$ 74,873	\$ 27,190	\$ 21,400	\$ 976,471
Refund liability (Note 2)	(33,037)	(4,745)	(4,174)	(1,823)	(1,272)	(45,051)
Loss allowance (Lifetime ECL)	(329)	(33)	(111)	(136)	(15,090)	(15,699)
Amortized cost	<u>\$ 745,551</u>	<u>\$ 69,313</u>	<u>\$ 70,588</u>	<u>\$ 25,231</u>	<u>\$ 5,038</u>	<u>\$ 915,721</u>

Note 1: Expected credit loss rate does not include the refund liability which has been recognized.

Note 2: The refund liability is recorded as other non-current liabilities.

The movements of the loss allowance of trade receivables were as follows:

	Nine Months Ended September 30, 2020	
	Trade Receivables	Other Receivables
Balance at January 1, 2020	\$ 14,919	\$ 5,268
Less: Net remeasurement of loss allowance	(1,864)	-
Foreign exchange gains and losses	(124)	-
Balance at September 30, 2020	<u>\$ 12,931</u>	<u>\$ 5,268</u>
	Nine Months Ended September 30, 2019	
	Trade Receivables	Other Receivables
Balance at January 1, 2019	\$ 17,901	\$ 5,268
Less: Net remeasurement of loss allowance	(1,810)	-
Foreign exchange gains and losses	(392)	-
Balance at September 30, 2019	<u>\$ 15,699</u>	<u>\$ 5,268</u>

b. Other receivables

Other receivables were the payment on behalf of others and rental receivable.

10. INVENTORIES

	September 30, 2020	December 31, 2019	September 30, 2019
Properties under development			
Binhu District, Wuxi	\$ 7,390,935	\$ 6,815,610	\$ 6,668,323
Banqiao District, New Taipei City	2,938,123	1,371,403	1,330,705
Properties to be developed			
Banqiao District, New Taipei City	-	1,241,624	1,240,093
Banqiao District, New Taipei City (for transferable development rights)	490	170,885	170,885
Other			
Shilin District, Taipei City	2,113	2,113	2,113
Inventory-merchandise			
Jiading District, Shanghai	744,530	910,105	1,085,261
Shilin District, Taipei City	<u>37,884</u>	<u>170,449</u>	<u>170,449</u>
	<u>\$ 11,114,075</u>	<u>\$ 10,682,189</u>	<u>\$ 10,667,829</u>

The cost of inventories recognized as cost of goods sold for the three months ended September 30, 2020 and 2019, nine months ended September 30, 2020 and 2019 were \$146,031 thousand, \$183,643 thousand, \$307,559 thousand and \$850,740 thousand, respectively. The cost of goods sold included allowance to reduce inventory to market (gains on inventory value recoveries) were \$30,037 thousand, (\$592) thousand, \$30,037 thousand and \$19,603 thousand in three months ended September 30, 2020 and 2019, nine months ended September 30, 2020 and 2019, respectively.

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 International Bank Co., Ltd.	2017/5/22-2024/5/22
Sinyi Jia-Pin	Taishin International Bank Co., Ltd.	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 36 for the carrying amount of inventories pledged as security for bank borrowings by the Group.

11. OTHER FINANCIAL ASSETS - CURRENT

	September 30, 2020	December 31, 2019	September 30, 2019
Time deposits with original maturity more than three months	\$ 131,570	\$ 121,570	\$ 121,570
Restricted assets - current	<u>7,135</u>	<u>117,479</u>	<u>7,175</u>
	<u>\$ 138,705</u>	<u>\$ 239,049</u>	<u>\$ 128,745</u>

- a. The ranges of interest rates of time deposits with original maturities more than three months were as follows:

	September 30, 2020	December 31, 2019	September 30, 2019
Time deposits with original maturity more than three months	0.07%-1.13%	0.15%-1.15%	0.15%-2.75%

- b. Restricted assets - current were operating guarantee for real-estate brokerage and restricted cash in bank. Please refer to Note 36.

The interest rates of pledge deposit and restricted cash in bank at the end of the reporting period were as follows:

	September 30, 2020	December 31, 2019	September 30, 2019
Pledge deposit	0.81%	1.06%	1.06%
Restricted cash in bank	-	2%	-

12. SUBSIDIARIES

- a. Subsidiaries included in consolidated financial statements

Those subsidiaries included in the consolidated entities as of September 30, 2020, December 31, 2019 and September 30, 2019 were as follows:

Investor	Investee	Main Businesses	% of Ownership			Remark
			September 30, 2020	December 31, 2019	September 30, 2019	
Sinyi Realty Inc.	Sinyi International Limited (Sinyi International)	Investment holding	100	100	100	
	Sinyi Development Inc. (Taiwan Sinyi Development)	Development, construction, rental and sale of residential building and factories	100	100	100	
	Sinyi Limited	Investment holding	100	100	100	
	Sinyi Global Asset Management Co., Ltd. (Sinyi Global)	Real estate brokerage	100	100	100	
	Heng-Yi Intelligent Technology Inc. (Heng-Yi)	Information software, data processing and electronic information providing services	80	75	75	Note 1
	Jui-Inn Consultants Co., Ltd. (Jui-Inn)	Management consulting	100	100	100	
	Sinyi Culture Publishing Inc. (Sinyi Culture)	Publication	99	99	99	
	An-Sin Real Estate Management Ltd. (An-Sin)	Real estate management	51	51	51	
	Yowoo Technology Inc. (Yowoo Technology)	Information software, data processing and electronic information providing services	100	100	100	
	Sin Chiun Holding Sdn. Bhd. (Sin Chiun)	Investment holding	100	100	100	
Sinyi Real Estate Consulting Limited (Sinyi Consulting)	Production of Instructions of real estate Consulting	100	100	100		

(Continued)

Investor	Investee	Main Businesses	% of Ownership			Remark
			September 30, 2020	December 31, 2019	September 30, 2019	
	Sinju Holding Sdn. Bhd. (Sinju)	Investment holding	100	-	-	Note 2
	Sinyi Morefun Tourism Development Ltd. (Sinyi Morefun)	Investment holding	100	-	-	Note 8
Sinyi Limited	Ke Wei HK Realty Limited (Ke Wei HK)	Investment holding	99	99	99	
	Inane International Limited (Inane)	Investment holding	100	100	100	
Inane	Shanghai Sinyi Real Estate Inc. (Shanghai Sinyi)	Real estate brokerage	100	100	100	
	Beijing Sinyi Real Estate Ltd. (Beijing Sinyi)	Real estate brokerage	100	100	100	
	Shanghai Zhi Xin Allograph Ltd. (Shanghai Zhi Xin)	Real estate brokerage and management consulting	100	100	100	
	Chengdu Sinyi Real Estate Co., Ltd. (Chengdu Sinyi)	Real estate brokerage and management consulting	-	-	-	Note 3
	Max Success International Limited (Max Success)	Investment holding	100	100	100	
Shanghai Sinyi	Zhejiang Sinyi Real Estate Co., Ltd. (Zhejiang Sinyi)	Real estate brokerage and management consulting	100	100	100	
	Suzhou Sinyi Real Estate Inc. (Suzhou Sinyi)	Real estate brokerage and management consulting	100	100	100	
	Jiaxing Zhi Zheng Real Estate Marketing Planning Inc. (Jiaxing Zhi Zheng)	Real estate marketing planning and management consulting	100	100	100	
Shanghai Zhi Xin	Suzhou Zhi Xin Real Estate Co. Ltd. (Suzhou Zhi Xin)	Market information consultation and management consulting	100	100	100	
Ke Wei HK	Ke Wei Shanghai Real Estate Management Consulting Inc. (Ke Wei Shanghai)	Real estate brokerage and management consulting	100	100	100	
Sinyi International	Forever Success International Limited (Forever Success)	Investment holding	100	100	100	
	Sinyi Realty Inc. Japan (Japan Sinyi)	Real estate brokerage and management	100	100	100	
	Sinyi Development Limited (Sinyi Development)	Investment holding	100	100	100	
Forever Success	Sinyi Estate Ltd. (Sinyi Estate)	Investment holding	100	100	100	
	Shanghai Shang Tuo Investment Management Consulting Inc. (Shanghai Shang Tuo)	Real estate brokerage and management consulting	100	100	100	
	Hua Yun Renovation (Shanghai) Co., Ltd. (Hua Yun)	Professional construction, buildings, decoration construction, hardware, general merchandise, building materials wholesale	100	100	100	
Shanghai Shang Tuo	Shanghai Chang Yuan Co., Ltd. (Shanghai Chang Yuan)	Property management	100	100	100	
Hua Yun	Lunheng Business Management (Shanghai) Ltd. (Lunheng)	Management consulting	4	100	100	Note 10
An-Sin	An-Shin Real Estate Management Ltd. (An-Shin)	Real estate management	100	100	100	
Japan Sinyi	Sinyi Asset Management Co., Ltd. (Japan Management)	Real estate brokerage	100	100	100	
	Tokyo Sinyi Real Estate Co., Ltd. (Tokyo Sinyi)	Real estate brokerage	100	100	100	
Sinyi Development	Sinyi Real Estate (Hong Kong) Limited (Hong Kong Real Estate)	Investment holding	100	100	100	
	Kunshan Dingxian Trading Co., Ltd. (Kunshan Dingxian Trading)	Construction materials furniture, sanitary ware and ceramic products wholesale	100	100	100	
Sinyi Estate	Sinyi Estate (Hong Kong) Limited (Hong Kong Sinyi Estate)	Investment holding	100	100	100	
Hong Kong Real Estate	Sinyi Real Estate (Shanghai) Limited (Shanghai Sinyi Estate)	Development of commercial and residential building, auxiliary facilities; and construction, rental, sale and property management	100	100	100	
Hong Kong Sinyi Estate	Jiu Xin Estate(Wuxi) Limited (Jiu Xin Estate)	Development of commercial and residential building	100	100	100	
Shanghai Sinyi Estate	Xin Yeh Business Administration (Shanghai) Ltd.(Xin Yeh)	Development of commercial and residential building	100	100	100	
	Lunheng	Management consulting	96	-	-	Note 10
Xin Yeh	Sinyi Real Estate (Wuxi) Limited (Sinyi Wuxi)	Development of commercial and residential building; property management, real estate brokerage, decoration construction and equipment leasing.	100	100	100	Note 9
	Wu Pu Co.,Ltd. (Wu Pu)	Investment holding	-	-	100	Note 4
Yowoo Technology	Heng-Yi Intelligent Technology Inc. (Heng-Yi)	Information software, data processing and electronic information providing services	20	25	25	Notes 1, 5
	Lian Yue Traffic Inc. (Lian Yue Traffic)	Manpower dispatch and Merchandise delivery	100	100	-	Note 6
Taiwan Sinyi Development	Da-Chia Construction Co., Ltd. (Da-Chia Construction)	Development, construction, rental and sale of residential building and factories	100	100	100	
	Sinyi Real Estate Co., Ltd. (Sinyi Real Estate)	Development, construction, rental and sale of residential building and factories	100	100	100	
Sin Chiun	Fidelity Property Consultant Sdn. Bhd. (Fidelity)	Investment holding	49	49	49	
	Pegasus Holding Sdn. Bhd. (Pegasus)	Investment holding	100	100	100	
Pegasus	Fidelity	Real estate brokerage, management and identification	51	51	51	
Sinju	Sinkang Administration Sdn. Bhd. (Sinkang)	Tourism	100	-	-	Note 7

(concluded)

Remark:

Note 1: Heng-Yi increased capital in cash of \$7,000 thousand in April 2020, which was fully subscribed by the Company, so the Company's interest in Heng-Yi increased to 80%. Yowoo Technology did not increase its capital in proportion to its shareholding, so its interest in Heng-Yi fell to 20%.

- Note 2: Sinju was incorporated in January 2020 with 100% ownership.
- Note 3: Chengdu Sinyi has been liquidated in June 2019.
- Note 4: Wu Pu has been liquidated in November 2019.
- Note 5: The Group acquired 25% ownership of Heng-Yi from non-controlling interests through Yowoo Technology in March 2019. Refer to Note 31.
- Note 6: The Group acquired 100% ownership of Lian Yue Traffic through Yowoo Technology in November 2019. Refer to Note 31.
- Note 7: The Group acquired 100% ownership of Sinkang through Sinju in January 2020.
- Note 8: Sinyi Morefun was incorporated in August 2020 with 100% ownership.
- Note 9: Xin Yeh acquired 100% ownership of Sinyi Wuxi in July 2019.
- Note 10: Lunheng increased cash capital in August 2020, which was fully subscribed by Sinyi Estate, so Sinyi Estate's interest in Lunheng increased to 96%. Hua Yun did not increase its capital in proportion to its shareholding, so its interest in Lunheng fell to 4%.
- Note 11: Subsidiaries included in consolidated financial statement: The financial statements of the consolidated entities had not been reviewed by the independent accountants, except for those the Company's material subsidiaries such as Sinyi International, Sinyi Development, Hong Kong Real Estate, Shanghai Real Estate, Sinyi Estate, Hong Kong Sinyi Estate, Jiu Xin Estate and Xin Yeh as of and for the nine months ended September 30, 2020 and 2019.

b. Subsidiaries excluded from consolidated financial statement: None.

13 . INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD

	September 30, 2020	December 31, 2019	September 30, 2019
Investments in associates	\$ <u>35,889</u>	\$ <u>31,900</u>	\$ <u>30,688</u>

Investments In Associates

	September 30, 2020	December 31, 2019	September 30, 2019
Unlisted company			
Sinyi Interior Design Co., Ltd.	\$ 15,538	\$ 15,774	\$ 15,358
Rakuya International Info. Co., Ltd.	<u>20,351</u>	<u>16,126</u>	<u>15,330</u>
	\$ <u>35,889</u>	\$ <u>31,900</u>	\$ <u>30,688</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	September 30, 2020	December 31, 2019	September 30, 2019
Sinyi Interior Design Co., Ltd.	19%	19%	19%
Rakuya International Info. Co., Ltd.	23%	23%	23%

The Group's management considered investments in associates are not individually material, aggregate information of associates are summarized as follows:

	Three Months Ended September 30		Nine Months Ended September 30	
	2020	2019	2020	2019
The Group's share of:				
Profit from continuing operations	\$ 2,229	\$ 986	\$ 4,728	\$ 739
Other comprehensive income (loss)	<u>236</u>	<u>531</u>	<u>(663)</u>	<u>2,952</u>
Total comprehensive income for the period	<u>\$ 2,465</u>	<u>\$ 1,517</u>	<u>\$ 4,065</u>	<u>\$ 3,691</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 (loss) of the investment for the nine months ended September 30, 2020 and 2019 were based on unreviewed financial statements. The Group's management believes the unreviewed financial statements of the investees above do not have material impact.

14. PROPERTY, PLANT AND EQUIPMENT

SELF-USED

	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, 2020	\$ 2,833,746	\$ 595,494	\$ 10,972	\$ 414,674	\$ -	\$ 589,581	\$ 88,651	\$ 6,751	\$ 4,539,869
Additions	-	-	-	25,662	-	51,984	4,934	17,076	99,656
Disposals	-	-	(1,900)	(6,835)	-	(14,494)	-	-	(23,229)
Reclassifications	-	-	-	-	-	-	6,571	(23,287)	(16,716)
Effect of foreign currency exchange differences	<u>-</u>	<u>(1,297)</u>	<u>(55)</u>	<u>(597)</u>	<u>-</u>	<u>(780)</u>	<u>-</u>	<u>-</u>	<u>(2,729)</u>
Balance at September 30, 2020	<u>\$ 2,833,746</u>	<u>\$ 594,197</u>	<u>\$ 9,017</u>	<u>\$ 432,904</u>	<u>\$ -</u>	<u>\$ 626,291</u>	<u>\$ 100,156</u>	<u>\$ 540</u>	<u>\$ 4,596,851</u>
<u>Accumulated depreciation</u>									
Balance at January 1, 2020	\$ -	\$ 158,613	\$ 6,229	\$ 332,111	\$ -	\$ 466,811	\$ 80,470	\$ -	\$ 1,044,234
Depreciation expense	-	12,649	602	24,101	-	35,026	2,907	-	75,285
Disposals	-	-	(633)	(6,466)	-	(13,733)	-	-	(20,832)
Effect of foreign currency exchange differences	<u>-</u>	<u>(87)</u>	<u>(36)</u>	<u>(410)</u>	<u>-</u>	<u>(552)</u>	<u>-</u>	<u>-</u>	<u>(1,085)</u>
Balance at September 30, 2020	<u>\$ -</u>	<u>\$ 171,175</u>	<u>\$ 6,162</u>	<u>\$ 349,336</u>	<u>\$ -</u>	<u>\$ 487,552</u>	<u>\$ 83,377</u>	<u>\$ -</u>	<u>\$ 1,097,602</u>
Carrying amounts at September 30, 2020	<u>\$ 2,833,746</u>	<u>\$ 423,022</u>	<u>\$ 2,855</u>	<u>\$ 83,568</u>	<u>\$ -</u>	<u>\$ 138,739</u>	<u>\$ 16,779</u>	<u>\$ 540</u>	<u>\$ 3,499,249</u>

(Continued)

	Freehold land	Buildings	Transportation Equipment	Office Equipment	Leased Assets	Leasehold Improvements	Other Equipment	Construction in Progress and Prepayments 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	-	-	-	15,250	-	52,549	126	7,211	75,136
Disposals	-	-	-	(5,773)	-	(17,199)	(30)	-	(23,002)
Reclassifications	-	-	-	-	-	2,680	-	(2,680)	-
Effect of foreign currency exchange differences	-	(5,994)	(185)	(977)	-	(1,831)	-	-	(8,987)
Balance at September 30, 2019	<u>\$ 2,833,746</u>	<u>\$ 654,169</u>	<u>\$ 10,469</u>	<u>\$ 396,721</u>	<u>\$ 4,671</u>	<u>\$ 584,712</u>	<u>\$ 87,480</u>	<u>\$ 7,211</u>	<u>\$ 4,579,179</u>
Accumulated depreciation									
Balance at January 1, 2019	\$ -	\$ 143,941	\$ 5,442	\$ 310,202	\$ 4,671	\$ 442,957	\$ 75,613	\$ -	\$ 982,826
Depreciation expense	-	14,531	744	22,852	-	36,302	3,855	-	78,284
Disposals	-	-	-	(4,552)	-	(16,736)	(22)	-	(21,310)
Effect of foreign currency exchange differences	-	(449)	(119)	(904)	-	(1,734)	-	-	(3,206)
Balance at September 30, 2019	<u>\$ -</u>	<u>\$ 158,023</u>	<u>\$ 6,067</u>	<u>\$ 327,598</u>	<u>\$ 4,671</u>	<u>\$ 460,789</u>	<u>\$ 79,446</u>	<u>\$ -</u>	<u>\$ 1,036,594</u>
Carrying amounts at September 30, 2019	<u>\$ 2,833,746</u>	<u>\$ 496,146</u>	<u>\$ 4,402</u>	<u>\$ 69,123</u>	<u>\$ -</u>	<u>\$ 123,923</u>	<u>\$ 8,034</u>	<u>\$ 7,211</u>	<u>\$ 3,542,585</u>

(Concluded)

The above items of property, plant and equipment were 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

- There was no interest capitalized during the nine months ended September 30, 2020 and 2019.
- Refer to Note 36 for the details of properties, plant and equipment pledged as collaterals.

15. LEASE ARRANGEMENTS

- Right-of-use assets

	September 30, 2020	December 31, 2019	September 30, 2019
Carrying amounts			
Land	\$ 1,569,556	\$ 1,048,087	\$ -
Buildings	3,401,480	3,256,490	3,298,816
Other equipment	<u>18,096</u>	<u>16,295</u>	<u>10,116</u>
	<u>\$ 4,989,132</u>	<u>\$ 4,320,872</u>	<u>\$ 3,308,932</u>

	Three Months Ended September 30		Nine Months Ended September 30	
	2020	2019	2020	2019
Additions to right-of-use assets	\$ 752,746	\$ 133,172	\$ 1,146,053	\$ 433,431
Depreciation charge for right-of-use assets				
Land	\$ 3,907	\$ -	\$ 10,509	\$ -
Buildings	136,392	135,479	405,868	408,034
Other equipment	2,140	1,198	5,998	3,477
	<u>\$ 142,439</u>	<u>\$ 136,677</u>	<u>\$ 422,375</u>	<u>\$ 411,511</u>

Right-of-use asset for land is the using right to use of a land in Malaysia purchased in batches by Sin Chiun in 2019, with the right to use the land until December 31, 2096. The Group has completed the legal procedure for the transfer of the right-of-use of land in December 2019 and August 2020.

b. Lease liabilities

	September 30, 2020	December 31, 2019	September 30, 2019
Carrying amounts			
Current	\$ 501,024	\$ 488,421	\$ 500,705
Non-current	\$ 2,933,465	\$ 2,795,104	\$ 2,813,671

Range of discount rate for lease liabilities was as follows:

	September 30, 2020	December 31, 2019	September 30, 2019
Land	5%	5%	-
Buildings	1.11%-5.7%	1.11%-5.7%	1.11%-5.7%
Other equipment	1.2%-1.29%	1.28%-1.29%	1.28%-1.29%

c. Material lease-in activities and terms

The Group leases buildings for the use of offices 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.

Due to the market conditions severely affected by COVID-19 in 2020, the Group had negotiated with some lessors, and had agreed to provide unconditional rent reduction. The effects of rent reduction were \$2,207 thousand and \$6,526 thousand (recorded as other gains and losses) for the three months ended September 30, 2020 and for the nine months ended September 30, 2020, respectively.

d. Other lease information

Lease arrangements under operating leases for the leasing out of investment properties and freehold property are set out in Note 16.

	Three Months Ended September 30		Nine Months Ended September 30	
	2020	2019	2020	2019
Expenses relating to short-term and low-value asset leases	<u>\$ 8,992</u>	<u>\$ 5,314</u>	<u>\$ 28,737</u>	<u>\$ 28,421</u>
Total cash outflow for leases			<u>\$ 487,138</u>	<u>\$ 454,802</u>

The Group leases buildings which qualify as short-term leases and office equipment which qualify as low-value asset leases. The Group has elected to apply the recognition exemption and thus, does not recognize right-of-use assets and lease liabilities for these leases.

16. INVESTMENT PROPERTIES

	Land	Buildings	Total
<u>Cost</u>			
Balance at January 1, 2020	\$ 1,926,993	\$ 458,641	\$ 2,385,634
Disposals	(36,392)	(3,615)	(40,007)
Reclassifications	15,817	899	16,716
Effects of foreign currency exchange differences	<u>-</u>	<u>(1,133)</u>	<u>(1,133)</u>
Balance at September 30, 2020	<u>\$ 1,906,418</u>	<u>\$ 454,792</u>	<u>\$ 2,361,210</u>
<u>Accumulated depreciation and impairment</u>			
Balance at January 1, 2020	\$ 16,712	\$ 113,911	\$ 130,623
Impairment loss	3,163	180	3,343
Depreciation expense	-	10,221	10,221
Disposals	(3,801)	(279)	(4,080)
Effects of foreign currency exchange differences	<u>-</u>	<u>91</u>	<u>91</u>
Balance at September 30, 2020	<u>\$ 16,074</u>	<u>\$ 124,124</u>	<u>\$ 140,198</u>
Carrying amounts at September 30, 2020	<u>\$ 1,890,344</u>	<u>\$ 330,668</u>	<u>\$ 2,221,012</u>

(Continued)

	Land	Buildings	Total
<u>Cost</u>			
Balance at January 1, 2019	\$ 1,876,100	\$ 319,835	\$ 2,195,935
Additions	22,037	2,118	24,155
Disposals	(26,145)	(7,926)	(34,071)
Balance at September 30, 2019	<u>\$ 1,871,992</u>	<u>\$ 314,027</u>	<u>\$ 2,186,019</u>
<u>Accumulated depreciation and impairment</u>			
Balance at January 1, 2019	\$ 10,010	\$ 102,405	\$ 112,415
Impairment loss	4,408	423	4,831
Depreciation expense	-	5,797	5,797
Disposals	(5,229)	(2,294)	(7,523)
Balance at September 30, 2019	<u>\$ 9,189</u>	<u>\$ 106,331</u>	<u>\$ 115,520</u>
Carrying amounts at September 30, 2019	<u>\$ 1,862,803</u>	<u>\$ 207,696</u>	<u>\$ 2,070,499</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 receivable under operating leases of investment properties as of September 30, 2020 and 2019 were as follows:

	September 30, 2020	September 30, 2019
Year 1	\$ 106,033	\$ 64,655
Year 2	104,243	83,045
Year 3	104,054	82,598
Year 4	98,327	82,484
Year 5	70,514	77,753
Year 6 onwards	<u>83</u>	<u>76,906</u>
	<u>\$ 483,254</u>	<u>\$ 467,441</u>

The investment properties were depreciated on a straight-line basis over the following estimated useful lives:

Buildings - main buildings 30-60 years

The total fair value of the Group's investment properties and property, plant and equipment as of September 30, 2020, December 31, 2019 and September 30, 2019 was \$9,583,747 thousand, \$10,224,342 thousand

and \$9,919,706 thousand, respectively. The fair value valuation had not been performed by independent qualified professional valuers and the fair value was measured by using Level 3 inputs; however, the management of the Group used the valuation model that market participants generally use in determining the fair value. The valuation was arrived at by reference to market evidence of transaction prices for similar properties. The Group assessed that the future recoverable amount of investment properties was less than the book value, recognized impairment loss (recorded as other gains and losses) of \$0 thousand, \$2,991 thousand, \$3,343 thousand and \$4,831 thousand in three months ended September 30, 2020 and 2019, nine months ended September 30, 2020 and 2019, respectively.

All of the Group's investment property was held under freehold interests. The carrying amount of the investment properties that had been pledged by the Group to secure borrowings was disclosed in Note 36.

17. INTANGIBLE ASSETS

	September 30, 2020	December 31, 2019	September 30, 2019
Franchise (Note 38)	\$ 42,297	\$ 45,293	\$ 47,487
Goodwill	-	5,452	10,513
System software costs	43,520	42,994	41,107
Patent	<u>2,604</u>	<u>3,542</u>	<u>3,854</u>
	<u>\$ 88,421</u>	<u>\$ 97,281</u>	<u>\$ 102,961</u>

<u>Cost</u>	Franchise	Goodwill	System Software Costs	Patent	Total
Balance at January 1, 2020	\$ 91,606	\$ 25,586	\$ 273,382	\$ 5,000	\$ 395,574
Additions	-	-	19,424	-	19,424
Effect of foreign currency exchange differences	(2,688)	-	(164)	-	(2,852)
Balance at September 30, 2020	<u>\$ 88,918</u>	<u>\$ 25,586</u>	<u>\$ 292,642</u>	<u>\$ 5,000</u>	<u>\$ 412,146</u>
<u>Accumulated amortization and impairment</u>					
Balance at January 1, 2020	\$ 46,313	\$ 20,134	\$ 230,388	\$ 1,458	\$ 298,293
Amortization expense	1,708	-	18,890	938	21,536
Impairment loss	-	5,452	-	-	5,452
Effect of foreign currency exchange differences	(1,400)	-	(156)	-	(1,556)
Balance at September 30, 2020	<u>\$ 46,621</u>	<u>\$ 25,586</u>	<u>\$ 249,122</u>	<u>\$ 2,396</u>	<u>\$ 323,725</u>
Carrying amounts at September 30, 2020	<u>\$ 42,297</u>	<u>\$ -</u>	<u>\$ 43,520</u>	<u>\$ 2,604</u>	<u>\$ 88,421</u>

(Continued)

<u>Cost</u>	Franchise	Goodwill	System Software Costs	Patent	Total
Balance at January 1, 2019	\$ 93,851	\$ 20,134	\$ 256,019	\$ 5,000	\$ 375,004
Additions	-	-	12,386	-	12,386
Disposals	-	-	(1,594)	-	(1,594)
Effect of foreign currency exchange differences	<u>994</u>	<u>-</u>	<u>(386)</u>	<u>-</u>	<u>608</u>
Balance at September 30, 2019	<u>\$ 94,845</u>	<u>\$ 20,134</u>	<u>\$ 266,425</u>	<u>\$ 5,000</u>	<u>\$ 386,404</u>
<u>Accumulated amortization and impairment</u>					
Balance at January 1, 2019	\$ 45,102	\$ 9,621	\$ 204,952	\$ -	\$ 259,675
Amortization expense	1,779	-	21,731	1,146	24,656
Disposals	-	-	(903)	-	(903)
Effect of foreign currency exchange differences	<u>477</u>	<u>-</u>	<u>(462)</u>	<u>-</u>	<u>15</u>
Balance at September 30, 2019	<u>\$ 47,358</u>	<u>\$ 9,621</u>	<u>\$ 225,318</u>	<u>\$ 1,146</u>	<u>\$ 283,443</u>
Carrying amounts at September 30, 2019	<u>\$ 47,487</u>	<u>\$ 10,513</u>	<u>\$ 41,107</u>	<u>\$ 3,854</u>	<u>\$ 102,961</u>

(Concluded)

The above intangible assets with finite useful lives were amortized on a straight-line basis over the following estimated useful lives:

Franchise	40 years
System software costs	2-5 years
Patent	4-7 years

The Group recognized goodwill of \$5,452 thousand due to acquisition of Lian Yue Traffic in November 2019, which expected to increase revenue through manpower dispatch services. The actual profit growth after the acquisition was not as good as expected, and assessed that the future recoverable amount was less than book value. The Group recognized impairment loss of goodwill (recorded as other gains and losses) from January 1 to September 30, 2020.

18. OTHER ASSETS

	September 30, 2020	December 31, 2019	September 30, 2019
Overpaid VAT	\$ 138,095	\$ 14,126	\$ 71,655
Tax prepayment	48,017	26,679	31,595
Prepaid expenses	45,711	48,735	87,935
Temporary payments	16,715	11,879	5,788
Overdue receivables	2,062	1,271	1,272
Prepayments for right-of-use asset - land	-	60,474	101,934
Others	<u>2,103</u>	<u>1,890</u>	<u>1,890</u>
	<u>\$ 252,703</u>	<u>\$ 165,054</u>	<u>\$ 302,069</u>

(Continued)

	September 30, 2020	December 31, 2019	September 30, 2019
Current	\$ 248,751	\$ 101,419	\$ 196,973
Non-current	<u>3,952</u>	<u>63,635</u>	<u>105,096</u>
	<u>\$ 252,703</u>	<u>\$ 165,054</u>	<u>\$ 302,069</u>

(Concluded)

Prepayments for the right-of-use asset of land are prepayments made by Sin Chiun for purchasing right-of-use asset of land at Pulau Mengalum, Sabah, in Malaysia. The Group has completed the legal procedure for the transfer of the right-of-use asset of land in August 2020. Refer to Note 15.

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

Long-term borrowings

	September 30, 2020	December 31, 2019	September 30, 2019
<u>Secured borrowings</u>			
Bank loans	\$ 3,143,236	\$ 4,299,112	\$ 3,939,448
<u>Unsecured borrowings</u>			
Loans unsecured	<u>2,410,000</u>	<u>2,600,000</u>	<u>4,050,000</u>
	5,553,236	6,899,112	7,989,448
Less: Current portion	<u>(22,893)</u>	<u>(25,295)</u>	<u>(216,136)</u>
Long-term borrowings	<u>\$ 5,530,343</u>	<u>\$ 6,873,817</u>	<u>\$ 7,773,312</u>

The long-term borrowings of the Group were as follows:

	September 30, 2020	December 31, 2019	September 30, 2019
Content of Borrowings			
E.Sun Bank	\$ 1,100,000	\$ 1,700,000	\$ 1,700,000
Loan limit: \$2,650,000 thousand; period: August 2, 2019 to August 2, 2022; floating interest rate of 0.93% 1.2% and 1.2%, revolving credit line, interest is paid monthly and principal is repaid at maturity. The Group repaid \$600,000 thousand as of September 30, 2020.			
Yuanta Bank	-	400,000	400,000
Loan limit: \$400,000 thousand; period: March 20, 2019 to March 19, 2021; fixed interest rate of 1.15% and 1.2%; revolving credit line, interest is paid monthly and principal is repaid at maturity. The Group repaid all the debts in January 2020.			
Yuanta Bank	200,000	-	-
Loan limit: \$600,000 thousand; period: March 18, 2020 to March 17, 2022; fixed interest rate of 0.99%; revolving credit line, interest is paid monthly; and principal is repaid at maturity.			
Mizuho Bank	-	-	300,000
Loan limit: \$300,000 thousand; period: November 30, 2018 to November 30, 2020; fixed interest rate of 1.16%; revolving credit line, interest is paid monthly and principal is repaid at maturity. The Group repaid all the debts in October 2019.			
Mizuho Bank	-	300,000	-
Loan limit: \$300,000 thousand; period: November 30, 2019 to November 30, 2021; fixed interest rate of 1.16%; revolving credit line, interest is paid monthly and principal is repaid at maturity. The Group repaid all the debts in January 2020.			

(Continued)

Content of Borrowings		September 30, 2020	December 31, 2019	September 30, 2019
Mizuho Bank	Loan limit: \$600,000 thousand; period: February 27, 2020 to February 27, 2022; fixed interest rate of 0.95%; revolving credit line, interest is paid monthly and principal is repaid at maturity.	\$ 300,000	\$ -	\$ -
Bank Sinopac.	Loan limit: \$200,000 thousand; period: June 21, 2019 to June 21, 2021; fixed interest rate of 1.10%; revolving credit line, interest is paid monthly and principal is repaid at maturity. The Group repaid all the debts in November 2019.	-	-	200,000
Bank Sinopac.	Loan limit: \$200,000 thousand; period: June 12, 2020 to June 12, 2022; fixed interest rate of 0.99%; revolving credit line, interest is paid monthly and principal is repaid at maturity.	200,000	-	-
Far Eastern Bank	Loan limit: \$800,000 thousand; period: May 2, 2019 to May 2, 2021; fixed interest rate of 1.19%; revolving credit line, interest is paid monthly and principal is repaid at maturity. The Group repaid all the debts in March 2020.	-	600,000	600,000
Far Eastern Bank	Loan limit: \$800,000 thousand; period: June 10, 2020 to June 10, 2022; fixed interest rate of 0.99%; revolving credit line, interest is paid monthly and principal is repaid at maturity.	100,000	-	-
Bank of Taiwan	Loan limit: \$200,000 thousand; period: December 10, 2019 to December 10, 2021; fixed interest rate of 1%; revolving credit line, interest is paid monthly and principal is repaid at maturity.	200,000	-	-
Taishin Bank	Loan limit: \$1,900,000 thousand; period: September 8, 2017 to September 8, 2022; fixed interest rate of 1.73%; revolving credit line, interest is paid monthly and principal is repaid at maturity.	410,000	345,000	335,000
Taishin Bank	Loan limit: \$748,000 thousand; period: March 29, 2019 to March 29, 2024; fixed interest rate of 1.73%; revolving credit line, interest is paid monthly and principal is repaid at maturity.	748,000	748,000	748,000
Taishin Bank	Loan limit: \$300,000 thousand; period: November 29, 2018 to December 25, 2021; fixed interest rate of 1.14%; revolving credit line, interest is paid monthly and principal is repaid at maturity. The Group repaid all the debts in October 2019.	-	-	300,000
Taishin Bank	Loan limit: \$300,000 thousand; period: December 25, 2019 to December 25, 2022; fixed interest rate of 0.95% and 1.05%; revolving credit line, interest is paid monthly and principal is repaid at maturity.	150,000	200,000	-
Taishin Bank	Loan limit: \$625,000 thousand; period: March 29, 2019 to March 29, 2024; fixed interest rate of 1.73%; revolving credit line, interest is paid monthly and principal is repaid at maturity.	10,000	-	-
DBS Bank	Loan limit: US\$40,000 thousand (\$1,200,000 thousand); period: January 2, 2019 to January 2, 2021; floating interest rate of 1.14%; revolving credit line, interest is paid monthly and principal is repaid at maturity. The Group repaid all the debts in March 2020.	-	400,000	1,000,000
DBS Bank	Loan limit: \$1,400,000 thousand; period: January 7, 2020 to January 20, 2022; fixed interest rate of 0.85%; revolving credit line, interest is paid monthly and principal is repaid at maturity.	500,000	-	-
Mega Bank	Loan limit: \$250,000 thousand; period: August 13, 2018 to August 13, 2021; floating interest rate of 1.2%; revolving credit line, interest is paid monthly and principal is repaid at maturity. The Group repaid all the debts in June 2020.	-	200,000	200,000
SK Bank	Loan limit: \$200,000 thousand; period: November 21, 2018 to November 20, 2021; fixed interest rate of 1.15% and 1.2%; revolving credit line, interest is paid monthly and principal is repaid at maturity. The Group repaid all the debts in June 2020.	-	200,000	200,000
SPD Bank	Loan limit: RMB600,000 thousand; period: December 26, 2018 to December 25, 2023; fixed interest rate of 5.7%; interest is paid quarterly; and principal is repaid proportional every six months. The Group repaid all the debts from July to September 2020.	885,236	1,506,112	1,156,448

(Continued)

Content of Borrowings		September 30, 2020	December 31, 2019	September 30, 2019
Shanghai Commercial and Savings Bank	Loan limit: \$400,000 thousand; period: December 8, 2018 to December 8, 2021; fixed interest rate of 1.2%; revolving credit line, interest is paid monthly and principal is repaid at maturity. The Group repaid all the debts in June 2020.	\$ -	\$ 200,000	\$ -
First Bank	Loan limit: \$100,000 thousand; period: April 10, 2019 to April 10, 2021; fixed interest rate of 1.16%; revolving credit line, interest is paid monthly and principal is repaid at maturity. The Group repaid all the debts in April 2020.	-	100,000	-
Jihsun Bank	Loan limit: \$200,000 thousand; period: December 3, 2018 to November 29, 2020; fixed interest rate of 1.22%; revolving credit line, interest is paid monthly and principal is repaid at maturity. The Group repaid all the debts in November 2019.	-	-	200,000
Cathay United Bank	Loan limit: \$200,000 thousand; period: August 1, 2018 to August 1, 2020; floating interest rate of 1.204%; revolving credit line, interest is paid monthly and principal is repaid at maturity. The Group repaid all the debts in October 2019.	-	-	200,000
Cathay United Bank	Loan limit: \$200,000 thousand; period: January 9, 2020 to January 9, 2022; fixed interest rate of 0.98%; revolving credit line, interest is paid monthly and principal is repaid at maturity.	100,000	-	-
CTBC Bank	Loan limit: \$200,000 thousand; period: July 2, 2019 to July 2, 2021; fixed interest rate of 1.2%; revolving credit line, interest is paid monthly and principal is repaid at maturity. The Group repaid all the debts in December 2019.	-	-	200,000
CTBC Bank	Loan limit: \$200,000 thousand; period: July 2, 2020 to July 2, 2022; fixed interest rate of 0.95%; revolving credit line, interest is paid monthly and principal is repaid at maturity.	150,000	-	-
Hua Nan Commercial Bank	Loan limit: \$500,000 thousand; period: January 30, 2020 to January 30, 2023; floating interest rate of 0.92%; revolving credit line, interest is paid monthly and principal is repaid at maturity.	400,000	-	-
Chang Hwa Bank	Loan limit: \$500,000 thousand; period: January 25, 2019 to January 25, 2021; fixed interest rate of 1.23%; revolving credit line, interest is paid monthly and principal is repaid at maturity. The Group repaid all the debts in October 2019.	-	-	250,000
Chang Hwa Bank	Loan limit: \$500,000 thousand; period: February 15, 2020 to February 15, 2022; fixed interest rate of 1%; revolving credit line, interest is paid monthly and principal is repaid at maturity.	100,000	-	-
Total long-term borrowings		<u>\$5,553,236</u>	<u>\$6,899,112</u>	<u>\$7,989,448</u>

(Concluded)

Note : Refer to Note 36 for the details of assets pledged as collaterals for long-term borrowings.

20. BONDS PAYABLE

	September 30, 2020	December 31, 2019	September 30, 2019
Domestic unsecured bonds	\$ 5,300,000	\$ 5,300,000	\$ 4,400,000
Less: Current portion	(700,000)	-	-
Bonds payable	<u>\$ 4,600,000</u>	<u>\$ 5,300,000</u>	<u>\$ 4,400,000</u>

The major term of domestic unsecured bonds was as follows:

Issuance Period	Total Amount (In Thousands)	Coupon Rate	Repayment and Interest Payment
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.

21. TRADE PAYABLES

	September 30, 2020	December 31, 2019	September 30, 2019
Construction payables	<u>\$ 173,449</u>	<u>\$ 379,619</u>	<u>\$ 499,627</u>

22. CONTRACT LIABILITIES

	September 30, 2020	December 31, 2019	September 30, 2019
Advance receipts from real estate transactions	<u>\$ 1,146,659</u>	<u>\$ 284,387</u>	<u>\$ 131,493</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-sale real estate. The development business units enters into real estate sales contracts with the customers 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

	September 30, 2020	December 31, 2019	September 30, 2019
<u>Current</u>			
Other payables	\$ 2,548,646	\$ 2,618,266	\$ 2,177,149
Other liabilities	<u>176,649</u>	<u>119,104</u>	<u>159,400</u>
	<u>\$ 2,725,295</u>	<u>\$ 2,737,370</u>	<u>\$ 2,336,549</u>

Non-current

Other liabilities	<u>\$ 847,307</u>	<u>\$ 653,501</u>	<u>\$ 609,621</u>
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a. Other payables were as follows:

	September 30, 2020	December 31, 2019	September 30, 2019
<u>Other payables-Expenses</u>			
Payable for performance bonus and salaries	\$ 1,532,651	\$ 1,606,694	\$ 1,278,845
Payable for annual leave	190,362	125,095	104,036
Payable for labor and health insurance	85,290	85,944	95,294
Advertisement payable	80,456	107,856	100,899
Interest payables	25,656	29,053	17,854
Payable for employees bonuses and compensation to directors	22,708	20,733	17,277
Payable for professional fees	3,339	14,780	14,466
Others	<u>225,057</u>	<u>180,333</u>	<u>207,780</u>
	<u>\$ 2,165,519</u>	<u>\$ 2,170,488</u>	<u>\$ 1,836,451</u>

Other payables-Others

Receipts under custody from real estate transactions	\$ 294,057	\$ 348,256	\$ 243,395
Other receipts under custody	58,025	53,733	52,355
Receipts under custody – escrow service	<u>-</u>	<u>1</u>	<u>7</u>
	<u>\$ 352,082</u>	<u>\$ 401,990</u>	<u>\$ 295,757</u>

Other payables to Related parties

Loan from related parties	\$ 23,053	\$ 37,023	\$ 37,410
Interest payable	6,518	7,429	6,642
Others	<u>1,474</u>	<u>1,336</u>	<u>889</u>
	<u>\$ 31,045</u>	<u>\$ 45,788</u>	<u>\$ 44,941</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 non-current liabilities.
- 2.) Loans from related parties were accounted for other payables to related parties with nil interest rates for the nine months ended September 30, 2020 and 2019.
- 3.) Receipts under custody from real estate transactions were the money received by real estate brokers - Shanghai 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:

	September 30, 2020	December 31, 2019	September 30, 2019
Receipts under custody - performance guarantee	\$ 15,656,298	\$ 11,565,378	\$ 11,204,614
Interest payable	1,720	1,721	1,425
Deposit accounts	(<u>15,658,018</u>)	(<u>11,567,098</u>)	(<u>11,206,032</u>)
	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ 7</u>

- a) Receipts under custody - performance guarantee were receipts under custody from sellers of real estate transactions with interest rate of 0.01%-0.04%, 0.01%-0.09% and 0.01%-0.09% as of September 30, 2020 , December 31,2019 and September 30, 2019, respectively.
- 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 liabilities were as follows:

	September 30, 2020	December 31, 2019	September 30, 2019
<u>Current</u>			
VAT payable and other tax payable	\$ 88,131	\$ 37,203	\$ 88,549
Refund liability	61,560	50,785	43,779
Others	<u>26,958</u>	<u>31,116</u>	<u>27,072</u>
	<u>\$ 176,649</u>	<u>\$ 119,104</u>	<u>\$ 159,400</u>
<u>Non-current</u>			
Long-term bonus payable	\$ 845,245	\$ 652,230	\$ 608,349
Refund liability	<u>2,062</u>	<u>1,271</u>	<u>1,272</u>
	<u>\$ 847,307</u>	<u>\$ 653,501</u>	<u>\$ 609,621</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-sale real estate in mainland China.

24. PROVISIONS

	September 30, 2020	December 31, 2019	September 30, 2019
<u>Current</u>			
Operating loss provisions	\$ <u>7,016</u>	\$ <u>9,374</u>	\$ <u>8,427</u>
		<u>Nine Months Ended September 30</u>	
		2020	2019
<u>Operating loss provisions</u>			
Balance, beginning of period		\$ 9,374	\$ 6,322
Additional provisions recognized		3,259	2,105
Usage		(<u>5,617</u>)	<u>-</u>
Balance, end of period		<u>\$ 7,016</u>	<u>\$ 8,427</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

Employee benefit expenses in respect of the Group's defined benefit retirement plans were calculated using the actuarially determined pension cost discount rate as of December 31, 2019 and 2018, and recognized in profit or loss in respect of the defined benefit plans for the three months ended September 30, 2020 and 2019 and for the nine months ended September 30, 2020 and 2019 were \$1,150 thousand, \$1,293 thousand, \$3,452 thousand and \$3,718 thousand, respectively.

26. EQUITY

Share Capital

	September 30, 2020	December 31, 2019	September 30, 2019
Numbers of shares authorized (in thousands)	<u>1,000,000</u>	<u>1,000,000</u>	<u>1,000,000</u>
Shares authorized	<u>\$ 10,000,000</u>	<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>	<u>736,847</u>
Share capital issued	<u>\$ 7,368,465</u>	<u>\$ 7,368,465</u>	<u>\$ 7,368,465</u>

As of September 30, 2020, the Company's shares were \$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

	September 30, 2020	December 31, 2019	September 30, 2019
<u>May be used to offset a deficit</u>			
Expired employee stock options	\$ <u>63,896</u>	\$ <u>63,896</u>	\$ <u>63,896</u>

The capital surplus from shares issued in excess of par (including expired employee stock options 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.

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 before and after amendment, please refer to f section Employee benefits expense in Note 28 (Employees' Compensation and Remuneration of Directors).
- b. In addition, according the revised Article of Incorporation of the Company, 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 20% of accumulated distributable earnings. In distributing dividends and bonuses to shareholders, the distribution may be made by stocks 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 including bonus to employees, and the remuneration to directors for 2019 and 2018 had been approved in the shareholders' meeting held on May 22, 2020 and May 24, 2019, respectively. The appropriations and dividends per share were as follows:

	Appropriation of Earnings		Dividends Per Share (NT\$)	
	Years Ended December 31		Years Ended December 31	
	2019	2018	2019	2018
Legal reserve	\$ 121,670	\$ 150,458	\$ -	\$ -
Special reserve	346,879	199,606	-	-
Cash dividends	884,216	957,900	1.20	1.30

Others Equity Items

a. Exchange differences on translating 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 from financial assets at fair value through other comprehensive income

Unrealized gains or losses from 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 from financial assets at fair value through other comprehensive income did not reclassified to gains or losses when dispose of investment.

Non-controlling Interests

	Nine Months Ended September 30	
	2020	2019
Balance, beginning of period	\$ 111,661	\$ 99,153
Attributed to non-controlling interests:		
Net income	10,806	9,702
Exchange differences on translating foreign operations	-	1
Cash dividends distributed to non-controlling interests	(2,793)	-
Acquisition of non-controlling interests in subsidiaries (Note 31)	-	(599)
Balance, end of period	<u>\$ 119,674</u>	<u>\$ 108,257</u>

27. REVENUE

a. Disaggregation of revenue

Refer to Note 42 for information about the 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 had been arrived at after charging or crediting:

Interest Income

	Three Months Ended September 30		Nine Months Ended September 30	
	2020	2019	2020	2019
Interest income				
Cash in bank	\$ 19,561	\$ 29,112	\$ 68,895	\$ 39,791
Other	528	537	1,757	1,655
	\$ 20,089	\$ 29,649	\$ 70,652	\$ 41,446

Other Gains and Losses

	Three Months Ended September 30		Nine Months Ended September 30	
	2020	2019	2020	2019
Impairment loss of investment properties	\$ -	(\$ 2,991)	(\$ 3,343)	(\$ 4,831)
Net gain (loss) on financial assets at fair value through profit or loss	86	(1,261)	329	67,175
(Losses) Gains on disposal of property, plant and equipment	(590)	723	(1,057)	445
(Losses) Gains on disposal of investment properties	(553)	333	6,715	4,209
Net foreign exchange (losses) gains	(12,779)	(1,746)	(17,072)	5,743
Share of gains (losses) on associates and joint venture	2,229	986	4,728	739
Impairment loss of goodwill	(5,452)	-	(5,452)	-
Others	14,602	7,039	51,913	18,905
	(\$ 2,457)	\$ 3,083	\$ 36,761	\$ 92,385

Finance Costs

	Three Months Ended September 30		Nine Months Ended September 30	
	2020	2019	2020	2019
Interest on bank loans	\$ 53,530	\$ 36,898	\$ 138,407	\$ 85,314
Interest on unsecured bonds payable	14,295	11,511	42,604	44,924
Interest on lease liabilities	16,798	17,608	50,952	53,946
Others	<u>2</u>	<u>1</u>	<u>10</u>	<u>14</u>
	84,625	66,018	231,973	184,198
Deduct: Amounts included in the cost of qualifying assets	(<u>43,964</u>)	(<u>19,625</u>)	(<u>101,620</u>)	(<u>45,524</u>)
	<u>\$ 40,661</u>	<u>\$ 46,393</u>	<u>\$ 130,353</u>	<u>\$ 138,674</u>

Information about capitalized interest was as follows:

	Three Months Ended September 30		Nine Months Ended September 30	
	2020	2019	2020	2019
Interest capitalization rate	1.59%-5.7%	1.59%-5.7%	1.59%-5.7%	1.59%-5.7%

Depreciation and Amortization

	Three Months Ended September 30		Nine Months Ended September 30	
	2020	2019	2020	2019
Property, plant and equipment	\$ 25,616	\$ 24,844	\$ 75,285	\$ 78,284
Investment property	3,404	1,977	10,221	5,797
Intangible assets	7,771	6,816	21,536	24,656
Right-of-use assets	<u>142,439</u>	<u>136,677</u>	<u>422,375</u>	<u>411,511</u>
	<u>\$ 179,230</u>	<u>\$ 170,314</u>	<u>\$ 529,417</u>	<u>\$ 520,248</u>
An analysis of depreciation by function				
Inventories	\$ 14	\$ 27	\$ 42	\$ 27
Operating costs	145,460	145,604	436,235	433,767
Management expenses	22,581	15,890	61,383	56,001
Other losses	<u>3,404</u>	<u>1,977</u>	<u>10,221</u>	<u>5,797</u>
	<u>\$ 171,459</u>	<u>\$ 163,498</u>	<u>\$ 507,881</u>	<u>\$ 495,592</u>
An analysis of amortization by function				
Inventories	\$ -	\$ -	\$ 717	\$ 718
Operating costs	340	271	1,001	831
Management expenses	<u>7,431</u>	<u>6,545</u>	<u>19,818</u>	<u>23,107</u>
	<u>\$ 7,771</u>	<u>\$ 6,816</u>	<u>\$ 21,536</u>	<u>\$ 24,656</u>

Operating Expenses Directly Related to Investment Properties

	Three Months Ended September 30		Nine Months Ended September 30	
	2020	2019	2020	2019
Direct operating expenses from investment property				
That generated rental income	\$ 9,990	\$ 6,369	\$ 29,876	\$ 18,802
That did not generate rental income	<u>36</u>	<u>11</u>	<u>126</u>	<u>35</u>
	<u>\$ 10,026</u>	<u>\$ 6,380</u>	<u>\$ 30,002</u>	<u>\$ 18,837</u>

Employee Benefits Expense

	Three Months Ended September 30		Nine Months Ended September 30	
	2020	2019	2020	2019
Salary expense	\$ 1,898,627	\$ 1,418,602	\$ 4,834,201	\$ 4,390,463
Labor and health insurance expenses	<u>103,412</u>	<u>96,960</u>	<u>302,805</u>	<u>288,073</u>
	<u>2,002,039</u>	<u>1,515,562</u>	<u>5,137,006</u>	<u>4,678,536</u>
Post-employment benefits				
Defined contribution plans	53,951	52,562	161,258	156,342
Defined benefit plans (Note 25)	<u>1,150</u>	<u>1,293</u>	<u>3,452</u>	<u>3,718</u>
	<u>55,101</u>	<u>53,855</u>	<u>164,710</u>	<u>160,060</u>
Other employee benefits	<u>48,983</u>	<u>53,810</u>	<u>145,066</u>	<u>161,116</u>
Total employee benefits expense	<u>\$ 2,106,123</u>	<u>\$ 1,623,227</u>	<u>\$ 5,446,782</u>	<u>\$ 4,999,712</u>
An analysis of employee benefits expense by function				
Inventories	\$ 2,438	\$ 3,478	\$ 5,826	\$ 11,807
Operating costs	1,862,991	1,482,020	4,784,731	4,375,380
Management expenses	<u>240,694</u>	<u>137,729</u>	<u>656,225</u>	<u>612,525</u>
	<u>\$ 2,106,123</u>	<u>\$ 1,623,227</u>	<u>\$ 5,446,782</u>	<u>\$ 4,999,712</u>

Employees' Compensation and Remuneration of Directors

In accordance with the Company's Articles of incorporation, 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 accrued employees' compensation and remuneration of directors for the three months ended September 30, 2020 and 2019 and the nine months ended September 30, 2020 and 2019 were as follows:

Accrual rate

	Nine Months Ended September 30	
	2020	2019
Employees' compensation	1%	1%
Remuneration of directors	0.25%	0.31%

Amount

	Three Months Ended September 30		Nine Months Ended September 30	
	2020 Cash	2019 Cash	2020 Cash	2019 Cash
Employees' compensation	\$ 7,282	\$ 3,234	\$ 12,786	\$ 12,833
Remuneration of directors	406	1,517	3,226	3,935

If there is a change in the proposed amounts after the date the Group's annual consolidated financial statements were authorized for issue, the differences are accounted for as a change in accounting estimate in the following year.

The appropriations of compensation to employees and the remuneration to directors for 2019 and 2018 had been approved, respectively by the board of directors on February 27, 2020 and on February 25, 2019. The appropriations were as below.

	Years Ended December 31	
	2019 Cash	2018 Cash
Employees' compensation	\$ 16,258	\$ 20,476
Remuneration of directors	3,923	3,909

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, 2019 and 2018.

Information on the employees' compensation and remuneration of directors approved by the Company's board of directors in 2020 and 2019 is available on the Market Observation Post System website of the Taiwan Stock Exchange.

Impairment loss on non-financial assets

	Three Months Ended September 30		Nine Months Ended September 30	
	2020	2019	2020	2019
Investment properties (Included in other benefit and losses -gross carrying amount)	\$ -	\$ 2,991	\$ 3,343	\$ 4,831
Inventories (Included in operating costs)	30,037	(592)	30,037	19,603
Goodwill (Included in other benefit and losses -gross carrying amount)	<u>5,452</u>	<u>-</u>	<u>5,452</u>	<u>-</u>
	<u>\$ 35,489</u>	<u>\$ 2,399</u>	<u>\$ 38,832</u>	<u>\$ 24,434</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:

	Three Months Ended September 30		Nine Months Ended September 30	
	2020	2019	2020	2019
Current tax				
In respect of the current period	\$ 158,579	\$ 172,808	\$ 373,274	\$ 570,450
Additional income tax on unappropriated earnings	-	-	-	9,309
Land value increment tax	3,589	45,319	29,915	184,682
In respect of the prior periods	-	(1)	6,279	986
Deferred tax				
In respect of the current periods	<u>4,408</u>	<u>11,956</u>	<u>6,592</u>	<u>(65,579)</u>
Income tax expense recognized in profit or loss	<u>\$ 166,576</u>	<u>\$ 230,082</u>	<u>\$ 416,060</u>	<u>\$ 699,848</u>

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. When calculating the tax on unappropriated earnings, the Group only deducts the amount of the unappropriated earnings that has been reinvested in capital expenditure.

b. Income tax assessments

The tax returns through 2018 of the Company, An-Sin, An-Shin, Jui-Inn, Sinyi Global, Heng-Yi, Tokyo Sinyi, Taiwan Sinyi Development, Yowoo Technology, Da-Chia Construction, Sinyi Culture, Sinyi Real Estate, Lian Yue Traffic and Sinyi Consulting had been assessed by the tax authorities.

30. EARNINGS (LOSS) PER SHARE

Unit: NT\$ Per Share

	Three Months Ended September 30		Nine Months Ended September 30	
	2020	2019	2020	2019
Basic EPS	\$ 0.76	\$ 0.25	\$ 1.27	\$ 1.36
Diluted EPS	\$ 0.76	\$ 0.25	\$ 1.27	\$ 1.36

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 (Loss) for the Period

	Three Months Ended September 30		Nine Months Ended September 30	
	2020	2019	2020	2019
Profit for the period attributable to owners of the Company	\$ 556,764	\$ 181,137	\$ 937,854	\$ 1,005,436

Weighted Average Number of Ordinary Shares Outstanding

	Three Months Ended September 30		Nine Months Ended September 30	
	2020	2019	2020	2019
Weighted average number of ordinary shares in computation of basic earnings per share	736,847	736,847	736,847	736,847
Effect of dilutive potential ordinary shares:				
Bonus issue to employee	256	408	566	745
Weighted average number of ordinary shares used in the computation of diluted earnings per share	737,013	737,255	737,413	737,592

Since the Group is allowed to settle the bonus to employees by cash or shares, the Group presumed that the entire amount of the bonus 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, if 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 should be included in the calculation of diluted earnings per share until the stockholders 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.

	Heng-Yi
Cash consideration paid	(\$ 5,000)
The proportionate share of the carrying amount of the net assets of the subsidiary transferred to 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	(\$ 632)
Retained earning	(<u>3,769</u>)
	(<u>\$ 4,401</u>)

b. Acquisition of subsidiaries

Subsidiary	Principal Activity	Date of Acquisition	Proportion of Voting Equity Interests Acquired (%)	Consideration Transferred
Lian Yue Traffic Inc.	Manpower dispatch and goods delivery	November 18, 2019	100%	<u>\$ 5,500</u>

The Group acquired 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 temporarily recorded the acquired assets and liabilities without purchase price allocation report as of the September 30, 2020 and measured them in the subsequent measurement period after acquiring purchase price allocation report.

(a) Assets acquired and liabilities assumed at the date of acquisition

	Lian Yue Traffic
Current assets	
Cash and cash equivalents	\$ 36
Others	<u>12</u>
Fair value of net assets acquired	<u>\$ 48</u>

(b) Goodwill recognized on acquisitions

	Lian Yue Traffic
Consideration transferred	\$ 5,500
Less: Fair value of identifiable net assets acquired	<u>48</u>
	<u>\$ 5,452</u>

The total amount of acquired goodwill that is expected to be not tax-deductible.

(c) Net cash outflow on the acquisition of subsidiaries

	Lian Yue Traffic Inc.
Consideration paid in cash	(\$ 5,500)
Add: Cash and cash equivalent balances acquired	<u>36</u>
	<u>(\$ 5,464)</u>

32. CASH FLOW INFORMATION

Changes in Liabilities Arising from Financing Activities

For the nine months ended September 30, 2020

	Opening Balance	Cash Flows	Non-cash Changes		Cash Flow from Operating Activities	Closing Balance
			New Leases	Other		
Bonds payable (including current portion)	\$ 5,300,000	\$ -	\$ -	\$ -	\$ -	\$ 5,300,000
Long-term borrowings (including current portion)	6,899,112	(1,421,423)	-	75,547	-	5,553,236
Guarantee deposits received	35,190	(940)	-	-	-	34,250
Lease liabilities	<u>3,283,525</u>	<u>(407,449)</u>	<u>571,028</u>	<u>38,337</u>	<u>(50,952)</u>	<u>3,434,489</u>
	<u>\$ 15,517,827</u>	<u>\$ (1,829,812)</u>	<u>\$ 571,028</u>	<u>\$ 113,884</u>	<u>\$ (50,952)</u>	<u>\$ 14,321,975</u>

For the nine months ended September 30, 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	(1,500,000)	-	-	-	4,400,000
Long-term borrowings (including current portion)	5,379,160	2,654,433	-	(44,145)	-	7,989,448
Guarantee deposits received	43,028	(7,702)	-	-	-	35,326
Lease liabilities	<u>3,368,480</u>	<u>(372,435)</u>	<u>433,431</u>	<u>(61,154)</u>	<u>(53,946)</u>	<u>3,314,376</u>
	<u>\$ 15,438,668</u>	<u>\$ 26,296</u>	<u>\$ 433,431</u>	<u>\$ (105,299)</u>	<u>\$ (53,946)</u>	<u>\$ 15,739,150</u>

33. 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 shareholders 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.

34. FINANCIAL INSTRUMENTS

a. Fair value of financial instruments not carried 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.

September 30, 2020

	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>\$5,313,030</u>	<u>\$ -</u>	<u>\$5,313,030</u>

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>

September 30, 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					
	\$4,400,000	\$ -	\$4,415,338	\$ -	\$4,415,338

The fair values of the financial liabilities included in the Level 2 category above have been determined in accordance with market price based on 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

September 30, 2020

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Non-derivative financial assets held for trading				
Domestic listed stocks - equity investments	\$ 6,674	\$ -	\$ -	\$ 6,674
Mutual funds	62,169	-	-	62,169
Structured products	-	46,798	-	46,798
	<u>\$ 68,843</u>	<u>\$ 46,798</u>	<u>\$ -</u>	<u>\$ 115,641</u>

	Level 1	Level 2	Level 3	Total
Financial assets at FVTOCI				
Domestic listed stocks - equity investments	\$ 103,119	\$ -	\$ -	\$ 103,119
Domestic unlisted stocks - equity investments	-	-	119,051	119,051
Foreign listed stocks - equity investments	435,889	-	-	435,889
Foreign unlisted stocks - equity investments	-	-	149,393	149,393
	<u>\$ 539,008</u>	<u>\$ -</u>	<u>\$ 268,444</u>	<u>\$ 807,452</u>

December 31, 2019

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Non-derivative financial assets held for trading				
Domestic listed stocks - equity investments	\$ 6,513	\$ -	\$ -	\$ 6,513
Mutual funds	53,467	-	-	53,467
Structured products	-	14,653	-	14,653
	<u>\$ 59,980</u>	<u>\$ 14,653</u>	<u>\$ -</u>	<u>\$ 74,633</u>

(Continued)

	Level 1	Level 2	Level 3	Total
Financial assets at FVTOCI				
Domestic listed stocks - equity investments	\$ 383,088	\$ -	\$ -	\$ 383,088
Domestic unlisted stocks - equity investments	-	-	95,532	95,532
Foreign listed stocks - equity investments	616,291	-	-	616,291
Foreign unlisted stocks - equity investments	-	-	254,426	254,426
	<u>\$ 999,379</u>	<u>\$ -</u>	<u>\$ 349,958</u>	<u>\$ 1,349,337</u>
September 30, 2019				
	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Non-derivative financial assets held for trading				
Domestic listed stocks - equity investments	\$ 7,128	\$ -	\$ -	\$ 7,128
Mutual funds	51,407	-	-	51,407
Structured products	-	22,578	-	22,578
	<u>\$ 58,535</u>	<u>\$ 22,578</u>	<u>\$ -</u>	<u>\$ 81,113</u>
Financial assets at FVTOCI				
Domestic listed stocks - equity investments	\$ 360,433	\$ -	\$ -	\$ 360,433
Domestic unlisted stocks - equity investments	-	-	103,943	103,943
Foreign listed stocks - equity investments	547,581	-	-	547,581
Foreign unlisted stocks - equity investments	-	-	234,900	234,900
	<u>\$ 908,014</u>	<u>\$ -</u>	<u>\$ 338,843</u>	<u>\$ 1,246,857</u>

(Concluded)

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

Financial Assets	Financial Assets at Fair Value Through Other Comprehensive Income
	Equity Instruments
Balance at January 1, 2020	\$ 349,958
Additions	16,283
Recognized in other comprehensive income	(95,437)
Effect of exchange rate changes	<u>(2,360)</u>
Balance at September 30, 2020	<u>\$ 268,444</u>

Financial Assets	Financial Assets at Fair Value Through Other Comprehensive Income
	Equity Instruments
Balance at January 1, 2019	\$ 393,127
Additions	4,500
Recognized in other comprehensive income	(52,876)
Effect of exchange rate changes	<u>(5,908)</u>
Balance at September 30, 2019	<u>\$ 338,843</u>

3) Valuation techniques and inputs applied for Level 2 fair value measurement

Financial Instruments	Valuation Techniques and Inputs
Structured financial products	Discounted cash flow: future cash flows are estimated based on observable interest rate and discounted at a market interest rate.

4) Valuation techniques and inputs applied for Level 3 fair value measurement

Financial Instruments	Valuation Techniques and Inputs
Foreign unlisted stocks	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 stocks	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.

The investments in equity instruments which are classified in Level 3 without public price at active market should be evaluated with the reference of the evaluation method, the evaluation target's net asset value and the bid price of the competitors which are widely used by the market participants. The Group did not disclose the quantitative information due to the difficulty in fully getting the relationship between the material unobservable inputs and fair value in practice.

c. Categories of financial instruments

	September 30, 2020	December 31, 2019	September 30, 2019
<u>Financial assets</u>			
FVTPL			
Mandatorily classified as at FVTPL	\$ 115,641	\$ 74,633	\$ 81,113
Financial assets at amortized cost (Note 1)	7,797,061	8,962,836	9,818,137
Financial assets at FVTOCI	807,452	1,349,337	1,246,857
<u>Financial liabilities</u>			
Financial assets at amortized cost (Note 2)	14,455,116	15,884,736	19,024,679

Note 1: The balance included loans and receivables measured at amortized cost, which comprise cash and cash equivalents, notes receivable and trade receivables, other receivables, other current financial assets and refundable deposits.

Note 2: The balance included financial liabilities measured at amortized cost, which comprise notes payable, trade payables, other payables (excluding dividends payable), bonds payable, long-term borrowings (including current portion of long-term borrowings and bonds payable), long-term bonus payable (was recognized under other non-current liabilities) and guarantee deposits received.

d. 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 foreign currency risk, interest rate 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 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), interest rates (see (2) below) and other price risk (see (3) below).

1) Foreign currency risk

Most of the Group's operating activities are in Taiwan, 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.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period please 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 positive as the other factors remain unchanged.

	Nine Months Ended September 30							
	2020				2019			
	RMB	JPY	USD	MYR	RMB	JPY	USD	MYR
Equity	\$ 31,922	\$ 2,489	\$ 438	\$ 817	\$ 44,408	\$ 2,931	\$ 124	\$ 10,404
Profit or loss	7	-	575	12	21	-	426	339

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:

	September 30, 2020	December 31, 2019	September 30, 2019
Fair value interest rate risk			
Financial assets	\$ 238,264	\$ 292,011	\$ 181,456
Financial liabilities	12,810,778	13,219,660	13,441,234
Cash flow interest rate risk			
Financial assets	69,799	40,153	43,078
Financial liabilities	1,500,000	2,300,000	2,300,000

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 \$10,727 thousand and \$16,927 thousand for the nine months ended September 30, 2020 and 2019, respectively.

3) Other price risk

The Group was exposed to equity price risk through its investments in mutual fund and domestic

and foreign listed/unlisted shares.

If equity prices had been 1% higher/lower, pre-tax profit for the nine months ended September 30, 2020 would have increased/decreased by \$688 thousand as a result of the changes in fair value of financial assets at FVTPL, and the pre-tax other comprehensive income for the nine months ended September 30, 2020 would have increased/decreased by \$8,075 thousand as a result of the changes in fair value of financial assets at FVTOCI.

If equity prices had been 1% higher/lower, pre-tax profit for the nine months ended September 30, 2019 would have increased/decreased by \$585 thousand as a result of the changes in fair value of financial assets at FVTPL, and the pre-tax other comprehensive income for the nine months ended September 30, 2019 would have increased/decreased by \$12,469 thousand 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 house and people who sell house. 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 September 30, 2020, December 31, 2019 and September 30, 2019, the Group had available unutilized bank loan facilities were follows:

	September 30, 2020	December 31, 2019	September 30, 2019
Unsecured bank overdraft facility, reviewed annually and payable at call:			
Amount used	\$ 2,400,000	\$ 2,600,000	\$ 4,050,000
Amount unused	<u>5,980,000</u>	<u>4,780,000</u>	<u>3,330,000</u>
	<u>\$ 8,380,000</u>	<u>\$ 7,380,000</u>	<u>\$ 7,380,000</u>
Secured bank overdraft facility:			
Amount used	\$ 3,153,236	\$ 4,299,112	\$ 3,939,448
Amount unused	<u>7,736,213</u>	<u>5,865,487</u>	<u>6,263,552</u>
	<u>\$10,879,449</u>	<u>\$10,164,599</u>	<u>\$10,203,000</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.

September 30, 2020

	On Demand or Less than 1 Month	1 Month to 1 Year	1-5 Years	5+ Years
Non-interest bearing	\$ 290	\$ 2,699,042	\$ 879,495	\$ -
Lease liabilities	50,325	556,740	2,167,060	2,618,972
Floating interest rate liabilities	-	-	1,500,000	-
Fixed interest rate liabilities	<u>-</u>	<u>722,893</u>	<u>7,753,395</u>	<u>900,000</u>
	<u>\$ 50,615</u>	<u>\$ 3,978,675</u>	<u>\$ 12,299,950</u>	<u>\$ 3,518,972</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>\$ 50,325</u>	<u>\$ 556,740</u>	<u>\$ 2,167,060</u>	<u>\$ 1,221,217</u>	<u>\$ 1,397,755</u>

December 31, 2019

	On Demand or Less than 1 Month	1 Month to 1 Year	1-5 Years	5+ Years
Non-interest bearing	\$ 319	\$ 2,960,862	\$ 687,420	\$ -
Lease liabilities	49,503	543,547	2,059,945	934,454
Floating interest rate liabilities	-	-	2,300,000	-
Fixed interest rate liabilities	<u>-</u>	<u>25,295</u>	<u>9,010,840</u>	<u>900,000</u>
	<u>\$ 49,822</u>	<u>\$ 3,529,704</u>	<u>\$ 14,058,205</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>

September 30, 2019

	On Demand or Less than 1 Month	1 Month to 1 Year	1-5 Years	5+ Years
Non-interest bearing	\$ 404	\$ 2,639,366	\$ 643,675	\$ -
Lease liabilities	56,016	614,047	2,084,110	1,129,792
Floating interest rate liabilities	-	200,000	2,100,000	-
Fixed interest rate liabilities	<u>-</u>	<u>16,136</u>	<u>10,110,722</u>	<u>-</u>
	<u>\$ 56,420</u>	<u>\$ 3,469,549</u>	<u>\$ 14,938,507</u>	<u>\$ 1,129,792</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>\$ 56,016</u>	<u>\$ 614,047</u>	<u>\$ 2,084,110</u>	<u>\$ 1,118,993</u>	<u>\$ 10,799</u>

35. 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 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.	The Company's shareholder (direct investment using the equity method)
Sinyi Co., Ltd.	The Company's shareholder (direct investment using the equity method)
Yu-Heng Co., Ltd.	The Company's indirect 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
Shanghai Shing Sheng Engineering Management Office	Related party in substance
Sinyi Interior Design Co., Ltd.	Associate
Prospect Hospitality Co., Ltd.	The Company's director is its director

Operating Revenue

	<u>Three Months Ended</u>		<u>Nine Months Ended</u>	
	<u>September 30</u>		<u>September 30</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Service revenue				
The Company's director is its director	\$ 1,020	\$ 2,941	\$ 3,171	\$ 6,156
Related party in substance	<u>6,884</u>	<u>-</u>	<u>13,163</u>	<u>-</u>
	<u>\$ 7,904</u>	<u>\$ 2,941</u>	<u>\$ 16,334</u>	<u>\$ 6,156</u>

Trade Receivables - Related parties

	<u>September 30,</u>	<u>December 31,</u>	<u>September 30,</u>
	<u>2020</u>	<u>2019</u>	<u>2019</u>
Other related parties			
Related party in substance	\$ 13,163	\$ -	\$ -
The Company's director is its director	<u>211</u>	<u>426</u>	<u>616</u>
	<u>\$ 13,374</u>	<u>\$ 426</u>	<u>\$ 616</u>

Other Payables to Related Parties

	September 30, 2020	December 31, 2019	September 30, 2019
Other related parties - related parties in substance	\$ <u>31,045</u>	\$ <u>45,788</u>	\$ <u>44,941</u>

Parts of other payables to related parties were financing. Information on the financing for the nine months ended September 30, 2020 and 2019 were as follows:

	<u>Nine Months Ended September 30, 2020</u>				
	Highest Balance During the Period	Amount	Interest Rate %	Interest Expense	Interest Payable
Other related parties - related parties in substance	<u>\$ 37,023</u>	<u>\$23,053</u>	-	<u>\$ -</u>	<u>\$6,518</u>

	<u>Nine Months Ended September 30, 2019</u>				
	Highest Balance During the Period	Amount	Interest Rate %	Interest Expense	Interest Payable
Other related parties - related parties in substance	<u>\$ 39,388</u>	<u>\$37,410</u>	-	<u>\$ -</u>	<u>\$6,642</u>

The financing above were unsecured.

Compensation for Key Management Personnel

	<u>Three Months Ended September 30</u>		<u>Nine Months Ended September 30</u>	
	2020	2019	2020	2019
Short-term benefits	\$ 38,593	\$ 30,133	\$ 104,781	\$ 97,941
Other long-term benefits	<u>3,082</u>	<u>3,140</u>	<u>9,247</u>	<u>10,350</u>
	<u>\$ 41,675</u>	<u>\$ 33,273</u>	<u>\$ 114,028</u>	<u>\$ 108,291</u>

Other long-term 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 the

following year after obtaining the qualification and the bonus is calculated on the basis of company's operating performance or individual performance.

Other Transactions with Related Parties

a. Rental income

	Three Months Ended September 30		Nine Months Ended September 30	
	2020	2019	2020	2019
Other related parties				
Related parties in substance	\$ 1,848	\$ 1,833	\$ 5,541	\$ 5,527
The Company's shareholder (direct investment using the equity method)	29	29	86	86
The Company's indirect shareholder (indirect investment using the equity method)	14	14	43	42
Associates	<u>8</u>	<u>9</u>	<u>25</u>	<u>26</u>
	<u>\$ 1,899</u>	<u>\$ 1,885</u>	<u>\$ 5,695</u>	<u>\$ 5,681</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 benefit

	Three Months Ended September 30		Nine Months Ended September 30	
	2020	2019	2020	2019
Other related parties				
Related parties in substance	(\$ 936)	\$ 692	\$ 759	\$ 2,076

Other benefit is mainly derived from management consulting services provided to the related parties.

c. Professional fee

	Three Months Ended September 30		Nine Months Ended September 30	
	2020	2019	2020	2019
Other related parties				
Related parties in substance	<u>\$ 27,805</u>	<u>\$ 2,630</u>	<u>\$ 62,459</u>	<u>\$ 7,183</u>

Professional fee is mainly payment for services related to instructions of real estate, real estate registration, cadaster access service and management consulting, etc.

d. Lease agreement

	September 30, 2020	December 31, 2019	September 30, 2019
Lease liabilities - related parties in substance	<u>\$ 8,687</u>	<u>\$ 25,659</u>	<u>\$ 27,837</u>

	Three Months Ended September 30		Nine Months Ended September 30	
	2020	2019	2020	2019
<u>Interest expense</u>				
Related parties in substance	<u>\$ 32</u>	<u>\$ 75</u>	<u>\$ 155</u>	<u>\$ 286</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.

e. Other receivables

	September 30, 2020	December 31, 2019	September 30, 2019
Other related parties			
Related parties in substance	<u>\$ 2,415</u>	<u>\$ 1,285</u>	<u>\$ 3,461</u>

36. 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:

	September 30, 2020	December 31, 2019	September 30, 2019
Property, plant and equipment (including investment properties)			
Land	\$ 4,191,664	\$ 4,191,664	\$ 4,191,664
Building	404,497	416,351	420,302
Other financial assets - current			
Pledged time deposits and demand deposits	7,135	7,153	7,175
Other financial assets - current			
Restricted bank deposits	-	110,326	-
Inventories	<u>10,329,058</u>	<u>9,500,034</u>	<u>9,199,159</u>
	<u>\$ 14,932,354</u>	<u>\$ 14,225,528</u>	<u>\$ 13,818,300</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.

37. 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 \$989,400 thousand and \$18,109 thousand, respectively. Refer to Note 41, Table 2 for the details.
- d. As of September 30, 2020, the Group had signed construction contracts but not yet paid for \$2,016,847 thousand.
- e. Shanghai Real Estate and Jiu Xin Estate, property developer in mainland China, sold real estate and guaranteed the mortgage bank loans of some of their customers; the guarantee amounted to \$89,905 thousand as of September 30, 2020. The amount of mortgage loan was remitted to Shanghai Real Estate and Jiu Xin Estate for payment of the property sold. If a customer breached a mortgage contract, Shanghai Real Estate and Jiu Xin Estate will return to the banks only the amount of mortgage received. Therefore, Shanghai Real Estate and Jiu Xin Estate are 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 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 their customers is similar to an escrow, instead of endorsement as defined in the Regulations.

38. SIGNIFICANT FRANCHISE CONTRACTS

Sinyi Limited entered into a subfranchise agreement with Cendent 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 subsublicense 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. 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 subfranchise agreement in 2008.

39. OTHER ITEMS

The Group assessed the impact of COVID-19 and concluded that except there was no obvious impact on real estate brokerage segment and development segment in Taiwan, some overseas businesses were slightly affected by the border control of the epidemic. In this regard, the Group assessed that the overall business and financial aspects were not significantly affected. The Group has promoted the cost-saving project, and continues to evaluate the ability of continuous operation and the possible impacts of impairment of assets and the risk of financing .

40. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The significant assets and liabilities denominated in foreign currencies were as follows:

September 30, 2020

	Foreign Currencies (In Thousands)	Exchange Rate	New Taiwan Dollars (In Thousands)
<u>Financial assets</u>			
Monetary items			
RMB	\$ 1,024,388	4.269	\$ 4,373,112
JPY	1,863,349	0.2756	513,539
USD	3,482	29.1	101,320
MYR	11,993	7.003	83,986
Non-monetary items			
RMB	51,105	4.269	218,166
JPY	1,501,869	0.2756	413,915
USD	14	29.1	419
<u>Financial liabilities</u>			
Monetary items			
RMB	276,454	4.269	1,180,181
JPY	960,117	0.2756	264,608
MYR	155	7.003	1,085

(Continued)

December 31, 2019

	Foreign Currencies (In Thousands)	Exchange Rate	New Taiwan Dollars (In Thousands)
<u>Financial assets</u>			
Monetary items			
RMB	\$ 1,429,607	4.3	\$ 6,154,458
JPY	2,281,500	0.2878	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

September 30, 2019

	Foreign Currencies (In Thousands)	Exchange Rate	New Taiwan Dollars (In Thousands)
<u>Financial assets</u>			
Monetary items			
RMB	\$ 1,460,195	4.521	\$ 6,351,849
JPY	1,907,149	0.2886	548,877
USD	1,773	31.040	55,033
MYR	145,354	7.413	1,077,567
Non-monetary items			
RMB	58,390	4.35	253,998
JPY	1,902,645	0.2878	547,581
USD	14	31.040	446
<u>Financial liabilities</u>			
Monetary items			
RMB	438,825	4.35	1,908,891
JPY	888,823	0.2878	255,803
MYR	442	7.413	3,273

(Concluded)

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 significant realized and unrealized foreign exchange gains (losses) were as follows:

Functional Currencies	Nine Months Ended September 30			
	2020		2019	
	Exchange Rate	Net Foreign Exchange (Loss) Gain	Exchange Rate	Net Foreign Exchange (Loss) Gain
NTD	1 (NTD:NTD)	\$ (16,842)	1 (NTD:NTD)	\$ 5,848
USD	29.817 (USD:NTD)	(65)	31.054 (USD:NTD)	107
RMB	4.259 (RMB:NTD)	-	4.5202 (RMB:NTD)	(37)
JPY	0.2774 (JPY:NTD)	(53)	0.2847 (JPY:NTD)	19
MYR	7.0009 (MYR:NTD)	(98)	7.4204 (MYR:NTD)	(222)
HKD	3.8432 (HKD:NTD)	<u>(14)</u>	3.9616 (HKD:NTD)	<u>26</u>
		<u>\$ (17,072)</u>		<u>\$ 5,743</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: 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 area, 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 period or on the financial position, such as the rendering or receiving of services: None

Information of major shareholders :

List all shareholders with ownership of 5% or greater showing the name of the shareholder, the number of shares owned, and percentage of ownership of each shareholder: Table 10 (see the attached)

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 China

The following table was an analysis of the Group's revenue, result of operations and assets of segments for the nine months ended September 30, 2020 and 2019:

	Real Estate Brokerage			Real Estate Development			Elimination	Consolidated
	Taiwan	Mainland China and Others	Total	Taiwan	Mainland China and Others	Total		
Nine months ended September 30, 2020								
Revenues from external customers	\$ 8,105,011	\$ 405,658	\$ 8,510,669	\$ 217,265	\$ 278,765	\$ 496,030	\$ -	\$ 9,006,699
Inter-segment revenues	156,084	1,896	157,980	-	151,295	151,295	(309,275)	-
Segment revenues	<u>\$ 8,261,095</u>	<u>\$ 407,554</u>	<u>\$ 8,668,649</u>	<u>\$ 217,265</u>	<u>\$ 430,060</u>	<u>\$ 647,325</u>	<u>(\$ 309,275)</u>	9,006,699
Rental income from investment property								(67,519)
Consolidated revenues								<u>\$ 8,939,180</u>
Operating profit (loss)	<u>\$ 1,587,352</u>	(<u>\$ 303,799</u>)	<u>\$ 1,283,553</u>	(<u>\$ 68,596</u>)	<u>\$ 5,528</u>	(<u>\$ 63,068</u>)	<u>\$ 112,480</u>	\$ 1,332,965
Operating income from investment property								(37,517)
Operating income								<u>\$ 1,295,448</u>
Segment assets	<u>\$ 9,000,301</u>	<u>\$ 4,270,050</u>	<u>\$ 13,270,351</u>	<u>\$ 4,713,653</u>	<u>\$ 13,866,130</u>	<u>\$ 18,579,783</u>	(<u>\$ 705,464</u>)	\$ 31,144,670
Investments accounted for by the equity method and goodwill								33,889
Total assets								<u>\$ 31,180,559</u>
Nine months ended September 30, 2019								
Revenues from external customers	\$ 7,006,632	\$ 770,147	\$ 7,776,779	\$ 163,167	\$ 1,426,943	\$ 1,590,110	\$ -	\$ 9,366,889
Inter-segment revenues	186,811	2,859	189,670	2,785	126,687	129,472	(319,142)	-
Segment revenues	<u>\$ 7,193,443</u>	<u>\$ 773,006</u>	<u>\$ 7,966,449</u>	<u>\$ 165,952</u>	<u>\$ 1,553,630</u>	<u>\$ 1,719,582</u>	<u>(\$ 319,142)</u>	9,366,889
Rental income from investment property								(62,194)
Consolidated revenues								<u>\$ 9,304,695</u>
Operating profit (loss)	<u>\$ 1,187,799</u>	(<u>\$ 154,534</u>)	<u>\$ 1,033,265</u>	(<u>\$ 68,572</u>)	<u>\$ 597,343</u>	<u>\$ 528,771</u>	<u>\$ 116,106</u>	\$ 1,678,142
Operating income from investment property								(43,357)
Operating income								<u>\$ 1,634,785</u>
Segment assets	<u>\$ 8,502,997</u>	<u>\$ 3,320,240</u>	<u>\$ 11,823,237</u>	<u>\$ 5,109,035</u>	<u>\$ 14,911,830</u>	<u>\$ 20,020,865</u>	(<u>\$ 525,433</u>)	\$ 31,318,669
Investments accounted for by the equity method and goodwill								30,688
Total assets								<u>\$ 31,349,357</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 service revenue; therefore, no customer information is required to be disclosed.

TABLE 1

SINYI REALTY INC. AND SUBSIDIARIES

FINANCING PROVIDED

NINE MONTHS ENDED SEPTEMBER 30, 2020

(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	Remark (Note 15)
													Item	Value			
0	Sinyi Realty Inc.	Hua Yun Renovation (Shanghai) Co., Ltd.	Other receivables	Yes	\$ 432,400 (RMB 100,000 thousand)	\$ -	\$ -	1.15%	Short-term financing	\$ -	Needs for operation	\$ -	-	\$ -	\$ 3,153,448 (Note 1)	\$ 4,204,598 (Note 1)	\$ -
1	Sinyi Real Estate (Shanghai) Limited	Jiu Xin Estate (Wuxi) Limited	Other receivables	Yes	1,824,728 (RMB 422,000 thousand)	811,110 (RMB 190,000 thousand)	811,110 (RMB 190,000 thousand)	4.75%	Short-term financing (Note 10)	-	Needs for operation	-	-	-	4,897,005 (Note 2)	7,345,507 (Note 2)	21,362
		Lunheng Business Management (Shanghai) Ltd	Other receivables	Yes	64,860 (RMB 15,000 thousand)	64,035 (RMB 15,000 thousand)	64,035 (RMB 15,000 thousand)	4.75%	Short-term financing (Note 10)	-	Needs for operation	-	-	-	4,897,005 (Note 2)	7,345,507 (Note 2)	3,035
		Shanghai Sinyi Real Estate Inc.	Other receivables	Yes	86,000 (RMB 20,000 thousand)	85,380 (RMB 20,000 thousand)	85,380 (RMB 20,000 thousand)	4.75%	Short-term financing	-	Needs for operation	-	-	-	4,897,005 (Note 2)	7,345,507 (Note 2)	1,484
2	Hua Yun Renovation (Shanghai) Co., Ltd.	Lunheng Business Management (Shanghai) Ltd	Other receivables	Yes	32,862 (RMB 7,600 thousand)	32,444 (RMB 7,600 thousand)	32,444 (RMB 7,600 thousand)	4.75%	Short-term financing (Note 10)	-	Needs for operation	-	-	-	13,292,700 (Note 3)	19,939,050 (Note 3)	1,541
		Suzhou Sinyi Real Estate Inc.	Other receivables	Yes	432,400 (RMB 100,000 thousand)	-	-	4.75%	Short-term financing	-	Needs for operation	-	-	-	13,292,700 (Note 3)	19,939,050 (Note 3)	-
3	Suzhou Sinyi Real Estate Inc.	Kunshan Dingxian Trading Co., Ltd.	Other receivables	Yes	432,400 (RMB 100,000 thousand)	-	-	4.75%	Short-term financing	-	Needs for operation	-	-	-	812,910 (Note 4)	1,354,850 (Note 4)	-
4	Kunshan Dingxian Trading Co., Ltd.	Xin Yeh Enterprise Management (Shanghai) Ltd	Other receivables	Yes	432,400 (RMB 100,000 thousand)	-	-	4.75%	Short-term financing	-	Needs for operation	-	-	-	1,143,740 (Note 5)	1,715,610 (Note 5)	-
5	XinYeh Enterprise Management (Shanghai) Ltd.	Sinyi Realty Inc.	Other receivables	Yes	432,400 (RMB 100,000 thousand)	426,900 (RMB 100,000 thousand)	426,900 (RMB 100,000 thousand)	4.75%	Short-term financing	-	Needs for operation	-	-	-	1,727,612 (Note 6)	2,591,418 (Note 6)	8,703
6	Shanghai Sinyi Real Estate Inc.	Zhejiang Sinyi Real Estate Co., Ltd.	Other receivables	Yes	6,462 (RMB 1,500 thousand)	6,404 (RMB 1,500 thousand)	-	4.75%	Short-term financing (Note 10)	-	Needs for operation	-	-	-	1,105,152 (Note 7)	2,210,304 (Note 7)	-
		Suzhou Sinyi Real Estate Inc.	Other receivables	Yes	129,000 (RMB 30,000 thousand)	128,070 (RMB 30,000 thousand)	128,070 (RMB 30,000 thousand)	4.75%	Short-term financing (Note 10)	-	Needs for operation	-	-	-	1,105,152 (Note 7)	2,210,304 (Note 7)	2,546
		Chuzhou Yazhan Functional Agricultural Technology Co., Ltd.	Other receivables	No	25,155 (RMB 5,850 thousand)	24,974 (RMB 5,850 thousand)	24,974 (RMB 5,850 thousand)	6.00%	Short-term financing	-	Needs for operation	-	-	-	36,838 (Note 8)	368,384 (Note 8)	577
		Ke Wei Shanghai Real Estate Management Consulting Inc.	Other receivables	Yes	4,308 (RMB 1,000 thousand)	4,269 (RMB 1,000 thousand)	4,269 (RMB 1,000 thousand)	4.75%	Short-term financing	-	Needs for operation	-	-	-	294,707 (Note 9)	368,384 (Note 9)	67
7	Lunheng Business Management (Shanghai) Ltd.	Sinyi Realty Inc.	Other receivables	Yes	387,000 (RMB 90,000 thousand)	384,210 (RMB 90,000 thousand)	384,210 (RMB 90,000 thousand)	4.35%	Short-term financing	-	Needs for operation	-	-	-	1,218,825 (Note 11)	2,437,650 (Note 11)	91
		Jiu Xin Estate (Wuxi) Limited	Other receivables	Yes	903,000 (RMB 210,000 thousand)	896,490 (RMB 210,000 thousand)	896,490 (RMB 210,000 thousand)	4.75%	Short-term financing	-	Needs for operation	-	-	-	1,218,825 (Note 11)	2,437,650 (Note 11)	-

(Continued)

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	Remark (Note 15)
													Item	Value			
8	Sinyi Realty Inc. Japan	Sinyi Realty Inc.	Other receivables	Yes	\$ 68,900 (JPY 250,000 thousand)	\$ 68,900 (JPY 250,000 thousand)	\$ -	2.00%	Short-term financing (Note 10)	\$ -	Needs for operation	\$ -	-	\$ -	\$ 310,995 (Note 12)	\$ 466,492 (Note 12)	\$ -
9	Sinyi Asset Management Co., Ltd.	Sinyi Realty Inc.	Other receivables	Yes	41,340 (JPY 150,000 thousand)	41,340 (RMB 150,000 thousand)	-	2.00%	Short-term financing	-	Needs for operation	-	-	-	53,122 (Note 13)	\$ 79,683 (Note 13)	-
10	Sinyi Global Asset Management Co., Ltd.	Sinyi Realty Inc.	Other receivables	Yes	100,000	100,000	-	0.98%	Short-term financing	-	Needs for operation	-	-	-	259,218 (Note 14)	\$ 432,030 (Note 14)	-

(Concluded)

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.

Note 4: The maximum total financing provided should not exceed 500% of Suzhou Sinyi Real Estate Inc.'s net worth. The individual lending amount should not exceed 300% of Suzhou 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 150% of Xin Yeh Enterprise Management (Shanghai) Ltd.'s net worth. The individual lending amount should not exceed 100% of Xin Yeh Enterprise Management (Shanghai) Ltd.'s net worth.

Note 7: 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 8: If the short-term financing provided by Shanghai Sinyi Real Estate Inc. to the borrowing company is for the purpose of strategic consideration, the maximum total financing provided should not exceed 50% of Shanghai Sinyi Real Estate Inc.'s net worth and the individual lending amount should not exceed 5% of Shanghai Sinyi Real Estate Inc.'s net worth.

Note 9: The financing provided by Shanghai Sinyi Real Estate Inc. for borrowing company which is owned over 80% but less than 100% of its voting shares directly or indirectly by Shanghai Sinyi Real Estate Inc. or Sinyi Realty Inc., the maximum total financing provided should not exceed 50% of Shanghai Sinyi Real Estate Inc.'s net worth. The individual lending amount should not exceed 40% of Shanghai Sinyi Real Estate Inc.'s net worth.

Note 10: The restriction provided that such short-term, i.e. within one year or the company's operating cycle, financing amount not exceeding 40 percent of the lender's net worth shall not apply to inter-company loans of funds between overseas companies in which the Company holds, directly or indirectly, 100% of the voting shares.

Note 11: The financing provided by Lunheng Business Management (Shanghai) Ltd. for borrowing company which is owned 100% of its voting shares directly or indirectly by Lunheng Business Management (Shanghai) Ltd. or Sinyi Realty Inc., the maximum total financing provided should not exceed 50 times of Lunheng Business Management (Shanghai) Ltd.'s net worth. The individual lending amount should not exceed 25 times of Lunheng Business Management (Shanghai) Ltd.'s net worth.

Note 12: The financing provided by Sinyi Realty Inc. Japan for borrowing company which is owned 100% of its voting shares directly or indirectly by Sinyi Realty Inc. Japan or Sinyi Realty Inc., the maximum total financing provided should not exceed 150% of Sinyi Realty Inc. Japan's net worth. The individual lending amount should not exceed 100% of Sinyi Realty Inc. Japan's net worth.

Note 13: The financing provided by Sinyi Asset Management Co., Ltd. for borrowing company which is owned 100% of its voting shares directly or indirectly by Sinyi Asset Management Co., Ltd. or Sinyi Realty Inc., the maximum total financing provided should not exceed 150% of Sinyi Asset Management Co., Ltd.'s net worth. The individual lending amount should not exceed 100% of Sinyi Asset Management Co., Ltd.'s net worth.

Note 14: The financing provided by Sinyi Global Asset Management Co., Ltd. for borrowing company which is owned 100% of its voting shares directly or indirectly by Sinyi Global Asset Management Co., Ltd. or Sinyi Realty Inc., the maximum total financing provided should not exceed 5 times of Sinyi Global Asset Management Co., Ltd.'s net worth. The individual lending amount should not exceed 3 times of Sinyi Global Asset Management Co., Ltd.'s net worth.

Note 15: Interest recognized in the current period.

SINYI REALTY INC. AND SUBSIDIARIES

ENDORSEMENT/GUARANTEE PROVIDED TO OTHER
NINE MONTHS ENDED SEPTEMBER 30, 2020
(In Thousands of New Taiwan Dollars, Unless Specified 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.	Sinyi Real Estate (Hong Kong) Limited	Indirectly 100% owned subsidiary	\$ 8,409,196 (Note 1)	\$ 1,179,750 (US\$ 39,000 thousand)	\$ 989,400 (US\$ 34,000 thousand)	\$ -	\$ -	9.41	\$ 15,767,244 (Note 1)	Yes	No	No	
1	Jiu Xin Estate (Wuxi) Limited	Kunshan Dingxian Trading Co., Ltd.	Business dealings	4,469,272 (Note 2)	18,342 (RMB 4,242 thousand)	18,109 (RMB 4,242 thousand)	18,109 (RMB 4,242 thousand)	-	0.32	5,586,590 (Note 2)	No	No	Yes	

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 which Jiu Xin Estate (Wuxi) Limited has over 80% of ownership directly or indirectly, or the Company holds 100% of the voting shares, 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.

SINYI REALTY INC. AND SUBSIDIARIES

MARKETABLE SECURITIES HELD

AS OF SEPTEMBER 30, 2020

(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	September 30, 2020				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	4,028,068	\$ 103,119	-	\$ 103,119	
	<u>Unlisted shares</u> Han Yu Venture Capital Co., Ltd.	-	Financial assets at fair value through other comprehensive income - non-current	5,000,000	35,776	11	35,776	
	NOWnews Network Co., Ltd.	-	"	3,721,394	73,275	10	73,275	
	PChome Investment Co., Ltd.	-	"	196,350	-	8	-	
	Kun Gee Venture Capital Co., Ltd.	-	"	160,650	-	3	-	
	Cite' Publishing Holding Ltd.	-	"	7,637	-	1	-	
	Cite' Information Services Co., Ltd.	-	"	106,392	-	1	-	
	B Current Impact Investment Fund 3	-	"	1,000,000	10,000	11	10,000	
Sinyi Limited	<u>Unlisted shares</u> Orix Corp.	-	Financial assets at fair value through other comprehensive income - current	1,150,800	413,915	-	413,915	
	<u>Monetary market fund</u> Western Asset US Dollar Fund A	-	Financial assets at fair value through profit or loss - current	14,365	419	-	419	
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	21,974	4.7	21,974	
	<u>Unlisted shares</u> Cura Investment Management (Shanghai) Co., Ltd.	-	Financial assets at fair value through other comprehensive income - non-current	34,500,000	148,753	2	148,753	
	Taicang Yalong Management Consulting Co., Ltd.	-	"	-	640	15	640	
Sinyi Development Inc.	<u>Listed shares</u> CTCI Corporation	-	Financial assets at fair value through profit or loss - current	170,940	6,674	-	6,674	
Sinyi Global Asset Management Co., Ltd.	<u>Monetary market fund</u> Taishin 1699 Money Market Fund	-	"	1,174,851	16,018	-	16,018	
An-Sin Real Estate Management Ltd.	<u>Monetary market fund</u> Taishin 1699 Money Market Fund	-	"	3,354,307	45,732	-	45,732	

(Continued)

Holding Company Name	Marketable Securities Type and Name	Relationship with the Holding Company	Financial Statement Account	September 30, 2020				Note
				Shares/Units	Carrying Value	Percentage of Ownership (%)	Market Value or Net Asset Value	
Beijing Sinyi Real Estate Ltd.	<u>Financial product</u> Bank of China Steady Growth -Daily Plan	-	Financial assets at fair value through profit or loss - current	900,000	\$ 4,042	-	\$ 4,042	
Suzhou Sinyi Real Estate Inc.	<u>Financial product</u> ICBC financial product "Suixin E" 2017 no.3	-	"	10,000,000	42,756	-	42,756	

(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
 NINE MONTHS ENDED SEPTEMBER 30, 2020
 (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	Gain or Loss	Shares/Units	Amount
Sinyi Realty Inc.	Shares SIN CHIUN HOLDING SDN. BHD.	Investments accounted for using equity method	-	Subsidiary	163,537,766	\$ 1,234,908 (Note 1)	80,000,000	\$ 560,664	-	\$ -	\$ -	\$ -	243,537,766	\$ 1,795,572 (Note 1)
Sinyi Real Estate (Shanghai) Limited	Shares Lunheng Business Management (Shanghai) Ltd.	Investments accounted for using equity method	-	Subsidiary	-	-	-	1,286,400	-	-	-	-	-	1,286,400 (Note 1)

Note 1: The ending balance presents historical cost.

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
NINE MONTHS ENDED SEPTEMBER 30, 2020

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

Buyer	Property	Event Date	Transaction Amount	Payment Situation	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.	December 30, 2019	\$ 520,180 (MYR\$ 78,500 thousand)	The price has been paid in full.	Mengalum Tours & Dive Resort Sdn. Bhd.	-	-	-	-	\$ -	According to the appraisal report, the amount of MYR\$ 84,100 thousand. (Note)	Development of real estate for tourism.	-

Note: The Group negotiated with the seller to adjust the total amount of right-of-use asset of land from MYR\$ 82,500 thousand to \$78,500 thousand in July 2020.

SINYI REALTY INC. AND SUBSIDIARIES

**RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL
NINE MONTHS ENDED SEPTEMBER 30, 2020
(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	\$ 155,953	-	\$ -	-	\$ 155,953	\$ -

SINYI REALTY INC. AND SUBSIDIARIES

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT TRANSACTION
NINE MONTHS ENDED SEPTEMBER 30, 2020

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

No.	Company Name	Counterparty	Flow of Transactions	Transaction Details			Percentage to Consolidated Total Assets/Revenue (%)
				Financial Statement Account	Amount	Payment Terms	
0	Sinyi Realty Inc.	An-Sin Real Estate Management Ltd.	a	Trade receivables	\$ 155,953	Regular settlement	1
0	Sinyi Realty Inc.	Sinyi Real Estate Consulting Limited	a	Professional fees	99,730	-	1
1	Sinyi Real Estate (Shanghai) Limited	Jiu Xin Estate(Wuxi) Limited	c	Other receivables	832,520	For working capital, rate at 4.75%	3
1	Sinyi Real Estate (Shanghai) Limited	Shanghai Sinyi Real Estate Inc.	c	Other receivables	86,867	For working capital, rate at 4.75%	-
2	Jiu Xin Estate(Wuxi) Limited	Lunheng Business Management (Shanghai) Ltd.	c	Long-term borrowings	896,490	For working capital, rate at 4.75%	3
3	XinYeh Enterprise Management (Shanghai) Ltd	Sinyi Realty Inc.	b	Other receivables	435,622	For working capital, rate at 4.75%	1
4	Lunheng Business Management (Shanghai) Ltd.	Sinyi Realty Inc.	b	Other receivables	384,302	For working capital, rate at 4.35%	1
5	Suzhou Sinyi Real Estate Inc.	Shanghai Sinyi Real Estate Inc.	c	Long-term borrowings	128,070	For working capital, rate at 4.75%	-
6	Kunshan Dingxian Trading Co., Ltd.	Jiu Xin Estate(Wuxi) Limited	c	Contract liabilities	285,440	-	1

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 September 30, 2020.

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 nine months ended September 30, 2020.

Note 4: The table is disclosed by the Company based on the principle of materiality.

TABLE 7

SINYI REALTY INC. AND SUBSIDIARIES

INFORMATION ON INVESTEEES

NINE MONTHS ENDED SEPTEMBER 30, 2020

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

Investor Company	Investee Company	Location	Main Businesses and Products	Investment Amount		Balance as of September 30, 2020			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	\$ 11,116,206	\$ (43,863)	\$ (43,863)	
	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	2,227,354	68,777,000	100	953,457	(143,341)	(143,341)	
	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	1,694,481	(106,137)	(106,137)	
	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	94,469	23,563	23,563	
	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	28,000	21,000	2,800,000	80	8,292	(1,393)	(1,114)	
	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	858	(210)	(210)	
	Sinyi Culture Publishing Inc.	No. 100, Sinyi Rd., Sec. 5, Sinyi District, Taipei City, Taiwan	Publication	4,960	4,960	-	99	1,760	(449)	(445)	
	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	124,615	22,196	11,320	
	Sinyi Interior Design Co., Ltd.	No. 100, Sinyi Rd., Sec. 5, Sinyi District, Taipei City, Taiwan	Interior design	950	950	95,000	19	15,538	2,656	504	
	Yowoo Technology Inc.	No. 100, Sinyi Rd., Sec. 5, Sinyi District, Taipei City, Taiwan	Information software, data processing and electronic information providing service	203,000	193,000	11,000,000	100	8,798	(28,064)	(28,064)	
	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	20,351	18,770	4,224	
	Sin Chiun Holding Sdn. Bhd.	Suite 9-13A, Level 9, Wisma Uoa II, Jalan Pinang, 50450 Kuala Lumpur, Malaysia	Investment holding	1,795,572	1,234,908	243,537,766	100	1,628,292	(33,597)	(33,597)	
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	4,346	829	829		
Sinju Holding Sdn. Bhd.	Unit 20-1, Level 20, Menara Prestige, No.1, Jalan Pinang, 50450 Kuala Lumpur W.P. Kuala Lumpur, Malaysia	Investment holding	15,129	-	2,050,000	100	13,722	(637)	(637)		
Sinyi Morefun Tourism Development Ltd.	Coastal Building, Wickham's Cay II, P. O. Box 2221, Road Town, Tortola, British Virgin Islands.	Investment holding	14,565	-	10,490	100	11,582	(3,042)	(3,042)		
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	143,497	(39,678)	(39,678)	
	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	274,332	(36,454)	(36,454)	
	Sinyi Development Ltd.	TMF Chambers, P.O. Box 3269, Apia Samoa	Investment holding	3,919,127	3,919,127	133,506,209	100	5,068,399	70,370	70,370	
Sinyi Estate Ltd.	TMF Chambers, P.O. Box 3269, Apia Samoa	Investment holding	6,360,046	6,360,046	208,500,000	100	5,629,274	(38,106)	(38,106)		
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	1,647,792	51,935,840	100	468,364	(155,610)	(155,610)	
	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	(7,256)	(7,109)	(7,043)	
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	10,528	-	-	
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	91,368	12,660	12,660	
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	56,199	3,175	3,175	
	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	16,591	(3,614)	(3,614)	
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	4,902,127	18,259	18,259	
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	207,000,000	100	5,586,256	(38,107)	(38,107)	
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	120	(27)	(27)	
	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	43	(27)	(27)	
Sin Chiun Holding Sdn. Bhd.	Fidelity Property Consultant Sdn. Bhd.	Suite 9-13A, Level 9, Wisma Uoa II, Jalan Pinang, 50450 Kuala Lumpur, Malaysia	Real estate brokerage, management and identification	33,465	33,465	4,463,949	49	7,187	(13,000)	(6,370)	
	Pegasus Holding Sdn. Bhd.	Suite 9-13A, Level 9, Wisma Uoa II, Jalan Pinang, 50450 Kuala Lumpur, Malaysia	Investment holding	35,372	35,372	4,721,100	100	7,779	(6,660)	(6,660)	

(Continued)

Investor Company	Investee Company	Location	Main Businesses and Products	Investment Amount		Balance as of September 30, 2020			Net Income (Loss) of the Investee	Investment Income (Loss) Recognized	Note
				Ending Balance	Beginning Balance	Shares	Percentage of Ownership (%)	Carrying Value			
Pegasus Holding Sdn. Bhd.	Fidelity Property Consultant Sdn. Bhd.	Suite 9-13A, Level 9, Wisma Uoa II, Jalan Pinang, 50450 Kuala Lumpur, Malaysia	Real estate brokerage, management and identification	\$ 34,831	\$ 34,831	4,646,151	51	\$ 7,480	\$ (13,000)	\$ (6,630)	
Yowoo Technology Inc.	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	7,000	700,000	20	2,073	(1,393)	(279)	
	Lin Yue Traffic Inc.	No. 100, Sinyi Rd., Sec. 5, Sinyi District, Taipei City, Taiwan	Manpower dispatch and merchandise delivery	11,300	11,300	3,080,000	100	2,823	22,196	12,949	
Sinju Holding Sdn. Bhd.	Sinkang Administration Sdn. Bhd.	Unit 20-1, Level 20, Menara prestige, No.1, Jalan Pinang, 50450 Kuala Lumpur W.P. Kuala Lumpur, Malaysia	Tourism service	15,129	-	2,000,000	100	13,390	(620)	(620)	

(Concluded)

SINYI REALTY INC. AND SUBSIDIARIES

INFORMATION ON INVESTMENTS IN MAINLAND CHINA
 NINE MONTHS ENDED SEPTEMBER 30, 2020
 (In Thousands of New Taiwan Dollars, Unless Specified 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, 2020	Investment Flows		Accumulated Outflow of Investment from Taiwan as of September 30, 2020	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Income (Loss) Recognized (Note 1)	Carrying Value as of September 30, 2020 (Note 2)	Accumulated Inward Remittance of Earnings as of September 30, 2020
					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	\$ (7,076)	100	\$ (7,076)	\$ (7,148)	\$ -
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	1,294,418	-	-	1,294,418	(143,612)	100	(149,060)	473,693	-
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	(1,164)	100	(1,164)	(21,439)	-
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	(5,405)	100	(5,405)	14,234	-
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	(114,258)	100	(114,258)	154,189	-
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	-	148,753	-
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	(6,989)	100	(6,989)	2,590	-
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	(4,251)	100	(4,251)	39,102	-
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	21,608	100	21,608	4,897,005	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, 2020	Investment Flows		Accumulated Outflow of Investment from Taiwan as of September 30, 2020	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Income (Loss) Recognized (Note 1)	Carrying Value as of September 30, 2020 (Note 2)	Accumulated Inward Remittance of Earnings as of September 30, 2020
					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	\$ (35,428)	100	\$ (35,428)	\$ 103,793	\$ -
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	52,103	100	52,103	165,638	-
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.	-	-	-	-	(3,885)	100	(3,885)	5,016	-
Jiaxing 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.	-	-	-	-	(323)	100	(323)	707	-
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	(38,107)	100	(38,107)	5,586,590	-
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.	-	-	-	-	(1,116)	100	(1,116)	1,927	-
Lunheng Business Management (Shanghai) Ltd.	Business management consulting, financial advisory and marketing strategy	RMB 311,400	Investment in company located in Mainland China indirectly through Hua Yun Renovation (Shanghai) Co., Ltd.	-	-	-	-	(7,835)	100	(7,835)	1,321,193	-
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.	-	-	-	-	27,949	100	27,949	1,727,612	-
Sinyi Real Estate (Wuxi) Limited (Note 4)	Development of commercial and residential building; property management, real estate brokerage, decoration construction and equipment leasing.	RMB -	Investment in company located in Mainland China indirectly through Xin Yeh Business Administration (Shanghai) Ltd.	-	-	-	-	49	100	-	-	-
Taicang Yalong Management Consulting Co., Ltd.	Business management consulting, interior decoration and marketing strategy	RMB 1,000	Investment in company located in mainland China indirectly through Shanghai Sinyi Real Estate Inc.	-	-	-	-	-	15	-	640	-

Accumulated Outflow for Investment in Mainland China as of September 30, 2020	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment (Note 7)
\$9,577,167	\$15,896,310	\$ -

(Concluded)

Note 1: The amounts had not been reviewed by the independent accountants, except for Shanghai Real Estate, Jiu Xin Estate and Xin Yeh as of and for the nine months ended September 30, 2020.

Note 2: The carrying value was converted into New Taiwan dollars at the exchange rates of US\$1=NT\$29.1 and US\$1=RMB6.8166 on September 30, 2020.

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.

SINYI REALTY INC. AND SUBSIDIARIES

**INFORMATION OF MAJOR SHAREHOLDERS
AS OF SEPTEMBER 30, 2020**

Name of Major Shareholder	Shares	
	Number of Shares	Percentage of Ownership (%)
Sinyi Co., Ltd.	210,238,285	28.53%
Yu-Hao Co., Ltd.	208,937,108	28.36%

Note : The information of major shareholders presented in this table is provided by the Taiwan Depository & Clearing Corporation based on the number of ordinary shares and preferred shares held by shareholders with ownership of 5% or greater, that have been issued without physical registration (including treasury shares) by the Company as of the last business day for the current quarter. The share capital in the consolidated financial statements may differ from the actual number of shares that have been issued without physical registration because of different preparation basis.