

Sinyi Realty Inc. and Subsidiaries

**Consolidated Financial Statements for the
Years Ended December 31, 2020 and 2019 and
Independent Auditors' Report**

DECLARATION OF CONSOLIDATED FINANCIAL STATEMENTS OF AFFILIATES

The companies required to be included in the consolidated financial statements of affiliates in accordance with the “Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises” (the “Criteria”) for the year ended December 31, 2020 are all the same as the companies required to be included in the consolidated financial statements of parent and subsidiary companies as provided in International Financial Reporting Standard No. 10, “Consolidated Financial Statements”. Relevant information that should be disclosed in the consolidated financial statements of affiliates has all been disclosed in the consolidated financial statements of parent and subsidiary companies. Hence, we did not prepare a separate set of consolidated financial statements of affiliates for the reporting purposes under the Criteria.

Very truly yours,

SINYI REALTY INC.

By

February 25, 2021

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Sinyi Realty Inc.

Opinion

We have audited the accompanying consolidated financial statements of Sinyi Realty Inc. and its subsidiaries (collectively referred to as the “Group”), which comprise the consolidated balance sheets as of December 31, 2020 and 2019, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the “consolidated financial statements”).

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2020 and 2019, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China (ROC).

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards generally accepted in the ROC. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with The Norm of Professional Ethics for Certified Public Accountant of the ROC, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2020. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matters of the Group's consolidated financial statements for the year ended December 31, 2020 are stated as follows:

Revenue Earned from the Real Estate Agency Sales Business

For the year ended December 31, 2020, the Group's revenue earned from the real estate agency sales business was NT\$1,330,870 thousand. Real estate agency sales will be recognized when the performance obligations stated in each sales contract signed by the Group with construction companies are fulfilled. The revenue earned from a single customer of the real estate agency sales business accounts for a higher percentage of total revenue compared to other services, and the criteria for the recognition of performance obligations involve greater managerial judgment. In particular, the real estate agency sales revenue of Sinyi Realty Inc. was NT\$1,251,116 thousand for the year ended December 31, 2020, which accounted for 94% of the Group's real estate agency sales revenue; and, therefore, the recognition of revenue earned from Sinyi Realty Inc.'s real estate agency sales business has been identified as a key audit matter.

We understood the Group's internal controls related to the revenue recognition process of the real estate agency sales business, evaluated the design of the controls, determined that the controls have been implemented, and tested the operating effectiveness of the controls. We selected samples from sales transactions of the current year, understood the terms of the contracts through inspection of the agency contracts signed by both parties, and determined that the performance obligations had been completed in accordance with the terms of the contracts and revenue was recognized in accordance with the accounting policies by checking the relevant sales receipts. We also selected samples from new construction companies and understood how the Group evaluated the credit risks and tested the recovery of trade receivables.

Refer to Note 4 to the accompanying consolidated financial statements for the Group's accounting policies related to the real estate agency sales business.

Valuation of Inventories

As of December 31, 2020, the carrying amount of inventories was NT\$11,409,582 thousand. Due to changes in the overall economic environment and related business regulations, the Group had to take into consideration reasonable estimates of the future selling price and additional costs as well as changes in the economy, when assessing the net realizable value of inventories, to determine whether the valuation of inventories is appropriate. Since the carrying amount of inventory was considered significant to the consolidated financial statements and the valuation of the net realizable value of inventories is subject to management's significant judgment, the valuation of inventory has been identified as a key audit matter.

We focused on the valuation of inventories at the balance sheet date. We selected samples from the inventory balance and assessed and tested the net realizable value of inventories estimated by the management as well as the reasonableness of the key parameters used in the valuation. The procedures included but were not limited to the following: we inspected the latest actual transaction price or market transaction price of similar real estate, and determined that the net realizable value of inventories was not lower than the carrying amount through recalculations. We verified the accuracy of the valuation of inventories by inspecting the selected samples and re-performed the calculation procedures.

Refer to Note 4 to the accompanying consolidated financial statements for the accounting policies related to the valuation of inventories, Note 5 for the description of critical accounting judgments and key sources of estimation uncertainty, and Note 10 for the related presentation and disclosures.

Other Matter

We have also audited the parent company only financial statements of Sinyi Realty Inc. as of and for the years ended December 31, 2020 and 2019, and on both we have issued an unmodified opinion with emphasis of matter paragraph.

Responsibilities of Management and those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and IFRS, IAS, IFRIC and SIC endorsed and issued into effect by the ROC Financial Supervisory Commission, and for such internal control as management determines is necessary to enable the preparation of the consolidated financial statements that are free of material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, including the audit committee, are responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain a reasonable assurance about whether the consolidated financial statements as a whole are free of material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the auditing standards generally accepted in the ROC will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the auditing standards generally accepted in the ROC, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended December 31, 2020 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

Deloitte & Touche
Taipei, Taiwan
Republic of China

February 25, 2021

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 ROC and not those of any other jurisdictions. The standards, procedures and practices to audit such consolidated financial statements are those generally applied in the ROC.

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

SINYI REALTY INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS DECEMBER 31, 2020 AND 2019 (In Thousands of New Taiwan Dollars)

ASSETS	2020		2019	
	Amount	%	Amount	%
CURRENT ASSETS				
Cash and cash equivalents (Notes 4 and 6)	\$ 6,383,520	20	\$ 7,480,172	24
Financial assets at fair value through profit or loss - current (Notes 4 and 7)	105,525	-	74,633	-
Financial assets at fair value through other comprehensive income - current (Notes 4 and 8)	632,054	2	999,379	3
Notes receivable (Notes 4 and 9)	104,650	-	45,814	-
Trade receivables (Notes 4, 9 and 35)	1,246,907	4	1,040,300	3
Other receivables (Notes 4, 9 and 35)	51,617	-	34,573	-
Current tax assets (Notes 4 and 29)	22,302	-	23,501	-
Inventories (Notes 4, 5, 10 and 36)	11,409,582	36	10,682,189	34
Other financial assets - current (Notes 11 and 36)	116,359	1	239,049	1
Other current assets (Note 18)	246,092	1	101,419	-
Total current assets	20,318,608	64	20,721,029	65
NON-CURRENT ASSETS				
Financial assets at fair value through other comprehensive income - non-current (Notes 4 and 8)	296,506	1	349,958	1
Investments accounted for using the equity method (Notes 4 and 13)	38,057	-	31,900	-
Property, plant and equipment (Notes 4, 5, 14 and 36)	3,505,519	11	3,495,635	11
Right-of-use assets (Notes 4 and 15)	5,021,018	16	4,320,872	14
Investment properties (Notes 4, 5, 16 and 36)	2,220,711	7	2,255,011	7
Intangible assets (Notes 4, 17, 31 and 38)	94,759	-	97,281	-
Deferred tax assets (Notes 4 and 29)	232,235	1	212,534	1
Refundable deposits	128,349	-	122,928	1
Other non-current assets (Note 18)	5,710	-	63,635	-
Total non-current assets	11,542,864	36	10,949,754	35
TOTAL	\$ 31,861,472	100	\$ 31,670,783	100
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Contract liabilities - current (Notes 21 and 27)	\$ 1,479,529	4	\$ 284,387	1
Notes payable	487	-	319	-
Trade payables (Note 22)	274,861	1	379,619	1
Other payables (Notes 23 and 35)	3,122,574	10	2,618,266	8
Current tax liabilities (Notes 4, 5 and 29)	1,346,490	4	941,277	3
Provisions - current (Notes 4 and 24)	8,444	-	9,374	-
Lease liability - current (Notes 4, 15 and 35)	544,776	2	488,421	2
Current portion of long-term borrowings and bonds payable (Notes 19, 20 and 36)	727,210	2	25,295	-
Other current liabilities (Note 23)	258,577	1	119,104	-
Total current liabilities	7,762,948	24	4,866,062	15
NON-CURRENT LIABILITIES				
Bonds payable (Note 20)	4,600,000	14	5,300,000	17
Long-term borrowings (Notes 19 and 36)	3,774,078	12	6,873,817	22
Lease liabilities - non-current (Notes 4, 15 and 35)	2,947,766	9	2,795,104	9
Net defined benefit liabilities - non-current (Notes 4 and 25)	169,380	1	157,406	-
Guarantee deposits received	32,023	-	35,190	-
Other non-current liabilities (Note 23)	920,293	3	653,501	2
Deferred tax liabilities (Notes 4 and 29)	-	-	1,672	-
Total non-current liabilities	12,443,540	39	15,816,690	50
Total liabilities	20,206,488	63	20,682,752	65
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Note 26)				
Ordinary shares	7,368,465	23	7,368,465	23
Capital surplus	63,896	-	63,896	-
Retained earnings				
Legal reserve	2,345,792	7	2,224,122	7
Special reserve	587,315	2	240,436	1
Unappropriated earnings	1,936,515	6	1,566,765	5
Total retained earnings	4,869,622	15	4,031,323	13
Other equity (Notes 4 and 26)				
Exchange differences on translating the financial statements of foreign operations	(1,065,685)	(3)	(1,196,665)	(4)
Unrealized gain on investments in equity instruments at fair value through other comprehensive income	292,993	1	609,351	2
Total other equity	(772,692)	(2)	(587,314)	(2)
Total equity attributable to owners of the Company	11,529,291	36	10,876,370	34
NON-CONTROLLING INTERESTS (Note 26)				
	125,693	1	111,661	1
Total equity	11,654,984	37	10,988,031	35
TOTAL	\$ 31,861,472	100	\$ 31,670,783	100

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

SINYI REALTY INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2020		2019	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 4, 27, 35 and 42)				
Sales revenue	\$ 1,028,272	8	\$ 1,688,401	14
Service revenue	<u>12,033,169</u>	<u>92</u>	<u>10,749,631</u>	<u>86</u>
Total operating revenue	<u>13,061,441</u>	<u>100</u>	<u>12,438,032</u>	<u>100</u>
OPERATING COSTS (Notes 10, 25, 28 and 35)				
Cost of sales	624,475	5	921,728	7
Service cost	<u>8,575,607</u>	<u>66</u>	<u>7,602,145</u>	<u>61</u>
Total operating costs	<u>9,200,082</u>	<u>71</u>	<u>8,523,873</u>	<u>68</u>
GROSS PROFIT	<u>3,861,359</u>	<u>29</u>	<u>3,914,159</u>	<u>32</u>
OPERATING EXPENSES (Notes 9, 25, 28 and 35)				
General and administrative expenses	1,750,795	13	1,945,021	16
Expected credit gain	<u>(960)</u>	<u>-</u>	<u>(2,420)</u>	<u>-</u>
Total operating expenses	<u>1,749,835</u>	<u>13</u>	<u>1,942,601</u>	<u>16</u>
OPERATING INCOME	<u>2,111,524</u>	<u>16</u>	<u>1,971,558</u>	<u>16</u>
NON-OPERATING INCOME AND EXPENSES				
Interest income (Note 28)	89,557	1	70,961	-
Rental income (Note 35)	94,179	1	82,857	1
Dividend income	34,772	-	22,849	-
Other gains and losses (Notes 15, 28 and 35)	23,329	-	91,643	1
Finance costs (Notes 28 and 35)	<u>(166,837)</u>	<u>(1)</u>	<u>(183,182)</u>	<u>(2)</u>
Total non-operating income and expenses	<u>75,000</u>	<u>1</u>	<u>85,128</u>	<u>-</u>
PROFIT BEFORE INCOME TAX FROM CONTINUING OPERATIONS	2,186,524	17	2,056,686	16
INCOME TAX EXPENSE (Notes 4 and 29)	<u>(617,356)</u>	<u>(5)</u>	<u>(780,481)</u>	<u>(6)</u>
NET PROFIT FOR THE YEAR	<u>1,569,168</u>	<u>12</u>	<u>1,276,205</u>	<u>10</u>

(Continued)

SINYI REALTY INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2020		2019	
	Amount	%	Amount	%
OTHER COMPREHENSIVE (LOSS) INCOME				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans (Note 25)	\$ (20,274)	-	\$ (53,288)	-
Unrealized (loss) gain on investments in equity instruments at fair value through other comprehensive income	(129,407)	(1)	164,970	1
Share of the other comprehensive (loss) income of associates accounted for using the equity method	(558)	-	3,378	-
Income tax relating to items that will not be reclassified subsequently to profit or loss (Note 29)	4,055	-	10,658	-
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating the financial statements of foreign operations	<u>130,978</u>	<u>1</u>	<u>(515,225)</u>	<u>(4)</u>
Other comprehensive loss for the year, net of income tax	<u>(15,206)</u>	<u>-</u>	<u>(389,507)</u>	<u>(3)</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 1,553,962</u>	<u>12</u>	<u>\$ 886,698</u>	<u>7</u>
NET PROFIT ATTRIBUTABLE TO:				
Owners of the Company	\$ 1,552,287	12	\$ 1,262,934	10
Non-controlling interests	<u>16,881</u>	<u>-</u>	<u>13,271</u>	<u>-</u>
	<u>\$ 1,569,168</u>	<u>12</u>	<u>\$ 1,276,205</u>	<u>10</u>
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Owners of the Company	\$ 1,537,137	12	\$ 873,591	7
Non-controlling interests	<u>16,825</u>	<u>-</u>	<u>13,107</u>	<u>-</u>
	<u>\$ 1,553,962</u>	<u>12</u>	<u>\$ 886,698</u>	<u>7</u>
EARNINGS PER SHARE (Note 30)				
Basic	<u>\$2.11</u>		<u>\$1.71</u>	
Diluted	<u>\$2.10</u>		<u>\$1.71</u>	

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

(Concluded)

SINYI REALTY INC. AND SUBSIDIARIES

**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019
(In Thousands of New Taiwan Dollars)**

	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 Income			
	Ordinary Shares	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 acquisition of interests in subsidiaries	-	(632)	-	-	(3,769)	-	-	(4,401)	(599)	(5,000)
Net profit for the year ended December 31, 2019	-	-	-	-	1,262,934	-	-	1,262,934	13,271	1,276,205
Other comprehensive (loss) income for the year ended December 31, 2019, net of income tax	-	-	-	-	(42,465)	(515,226)	168,348	(389,343)	(164)	(389,507)
Total comprehensive (loss) income for the year ended December 31, 2019	-	-	-	-	1,220,469	(515,226)	168,348	873,591	13,107	886,698
BALANCE AT DECEMBER 31, 2019	7,368,465	63,896	2,224,122	240,436	1,566,765	(1,196,665)	609,351	10,876,370	111,661	10,988,031
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 year ended December 31, 2020	-	-	-	-	1,552,287	-	-	1,552,287	16,881	1,569,168
Other comprehensive (loss) income for the year ended December 31, 2020, net of income tax	-	-	-	-	(16,165)	130,980	(129,965)	(15,150)	(56)	(15,206)
Total comprehensive (loss) income for the year ended December 31, 2020	-	-	-	-	1,536,122	130,980	(129,965)	1,537,137	16,825	1,553,962
Cash dividends distributed by the subsidiaries	-	-	-	-	-	-	-	-	(2,793)	(2,793)
Disposal of equity instruments at fair value through other comprehensive income	-	-	-	-	186,393	-	(186,393)	-	-	-
BALANCE AT DECEMBER 31, 2020	\$ 7,368,465	\$ 63,896	\$ 2,345,792	\$ 587,315	\$ 1,936,515	\$ (1,065,685)	\$ 292,993	\$ 11,529,291	\$ 125,693	\$ 11,654,984

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

SINYI REALTY INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019 (In Thousands of New Taiwan Dollars)

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 2,186,524	\$ 2,056,686
Adjustments for:		
Depreciation expenses	679,630	656,042
Amortization expenses	29,347	30,875
Expected credit loss reversed on trade receivables	(960)	(2,420)
Loss (gain) on financial assets at fair value through profit or loss	253	(66,009)
Finance costs	286,786	253,367
Interest income	(89,574)	(70,961)
Dividend income	(34,772)	(22,849)
Share of profit of associates and joint ventures	(6,790)	(1,525)
Net loss on disposal of property, plant and equipment	1,134	261
Net gain on disposal of investment properties	(6,715)	(7,961)
Impairment loss recognized on non-financial assets	66,058	48,221
Changes in operating assets and liabilities		
Financial assets at fair value through profit or loss	(30,388)	4,693,538
Notes receivable	(58,836)	6,941
Trade receivables	(202,496)	(112,320)
Other receivables	7,600	8,035
Inventories	(709,647)	(33,525)
Other current assets	(143,551)	735
Contract liabilities	1,195,142	(388,095)
Notes payable	129	(324)
Trade payables	(104,893)	(386,402)
Other payables	518,286	410,437
Provisions	(930)	3,052
Other current liabilities	138,073	(87,052)
Other operating liabilities	258,492	139,274
Cash generated from operations	<u>3,977,902</u>	<u>7,128,021</u>
Interest received	88,384	71,448
Interest paid	(287,377)	(263,231)
Income tax paid	<u>(224,612)</u>	<u>(1,114,063)</u>
Net cash generated from operating activities	<u>3,554,297</u>	<u>5,822,175</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at fair value through other comprehensive income	(16,286)	(31,715)
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 income	-	4,474
Net cash outflow on acquisition of subsidiaries	(3,768)	(5,464)
Payments for property, plant and equipment	(128,544)	(107,455)
Proceeds from disposal of property, plant and equipment	1,645	1,541

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SINYI REALTY INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019 (In Thousands of New Taiwan Dollars)

	2020	2019
Increase in refundable deposits	\$ (40,588)	\$ -
Decrease in refundable deposits	-	6,390
Increase in other receivables	(24,517)	-
Payments for intangible assets	(31,041)	(19,694)
Proceeds from disposal of intangible assets	-	689
Payments for right-of-use assets	(550,795)	(1,048,087)
Payments for investment properties	-	(94,324)
Proceeds from disposal of investment properties	42,642	35,350
Increase in other financial assets	-	(83,343)
Decrease in other financial assets	122,690	-
Increase in other non-current assets	-	(61,410)
Decrease in other non-current assets	57,925	-
Dividends received	<u>34,848</u>	<u>23,406</u>
Net cash used in investing activities	<u>(255,428)</u>	<u>(1,379,642)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of short-term borrowings	-	(748,000)
Proceeds from bonds payable	-	900,000
Repayments of bonds payable	-	(1,500,000)
Proceeds from long-term borrowings	13,868,451	18,897,176
Repayment of long-term borrowings	(16,975,832)	(17,318,935)
Refund of guarantee deposits received	(3,167)	(7,838)
Repayment of the principal portion of lease liabilities	(502,149)	(520,065)
Dividends paid to owners of the Company	(884,216)	(957,900)
Acquisition of partial interests in subsidiaries	-	(5,000)
Repayment of the cash dividends of non-controlling interests	<u>(2,793)</u>	<u>-</u>
Net cash used in financing activities	<u>(4,499,706)</u>	<u>(1,260,562)</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES		
	<u>104,185</u>	<u>(253,052)</u>
(DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(1,096,652)	2,928,919
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		
	<u>7,480,172</u>	<u>4,551,253</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 6,383,520</u>	<u>\$ 7,480,172</u>

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

(Concluded)

SINYI REALTY INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

1. GENERAL INFORMATION

Sinyi Realty Inc. (the “Company”) was incorporated in January 1987 and is engaged in the operation of a full-service real-estate brokerage business. The head office is situated in Taipei City, Taiwan, Republic of China (ROC). The Company continues to expand its business 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 Taipei Exchange (TPEX) in the ROC. In September 2001, the SFB approved the Company’s application for shifting its shares listing on TPEX to the Taiwan Stock Exchange (TWSE).

The consolidated financial statements of the Company and its subsidiaries (collectively known as the “Group”) are presented in the Group’s functional currency, the New Taiwan dollar.

2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved by the board of directors and authorized for issue on February 25, 2021.

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

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

Except for the following, the initial application of the amendments to the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the IFRSs endorsed and issued into effect by the FSC did not have any material impact on the 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. The related accounting policies are stated in Note 4. Prior to the application of the amendment, the Group shall determine whether or not the abovementioned rent concessions need to be accounted for as lease modifications.

The Group applied the amendment from January 1, 2020. Because the abovementioned rent concessions only affect 2020, retrospective application of the amendment has no impact on retained earnings as of January 1, 2020.

- b. The IFRSs endorsed by the FSC for application starting from 2021.

New IFRSs	Effective Date Announced by IASB (Note)
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

As of the date the consolidated financial statements were authorized for issue, the Group assessed that the application of the above standards and interpretations did not have a significant impact on the Group’s financial position and financial performance.

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

New IFRSs	Effective Date Announced by IASB (Note 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 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 1 “Disclosure of Accounting Policies”	January 1, 2023 (Note 6)
Amendments to IAS 1 “Definition of Accounting Estimation”	January 1, 2023 (Note 7)
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 will be 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” will be 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” will be 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 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.

Note 6: The amendments will be applied prospectively for annual reporting periods beginning on or after January 1, 2023.

Note 7: The amendments are applicable to changes in accounting estimates and changes in accounting policies that occur on or after the beginning of the annual reporting period beginning on or after January 1, 2023.

Amendments to IAS 1 “Disclosure of Accounting Policies”

The amendments specify that the Group should refer to the definition of material to determine its material accounting policy information to be disclosed. Accounting policy information is material if it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. The amendments also clarify that:

- Accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed;
- The Group may consider the accounting policy information as material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial; and
- Not all accounting policy information relating to material transactions, other events or conditions is itself material.

The amendments also illustrate that accounting policy information is likely to be considered as material to the financial statements if that information relates to material transactions, other events or conditions and:

- 1) The Group changed its accounting policy during the reporting period and this change resulted in a material change to the information in the financial statements;
- 2) The Group chose the accounting policy from options permitted by the standards;
- 3) The accounting policy was developed in accordance with IAS 8 “Accounting Policies, Changes in Accounting Estimates and Errors” in the absence of an IFRS that specifically applies;
- 4) The accounting policy relates to an area for which the Group is required to make significant judgements or assumptions in applying an accounting policy, and the Group discloses those judgements or assumptions; or
- 5) The accounting is complex and users of the financial statements would otherwise not understand those material transactions, other events or conditions.

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Statement of compliance

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

b. Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis except for financial instruments which are measured at fair value and net defined benefit liabilities which are measured at the present value of the defined benefit obligation less the fair value of plan assets.

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

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

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

Current assets include:

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

Current liabilities include:

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

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

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

d. Basis of consolidation

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

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

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

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

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

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

e. Business combinations

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

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

f. Foreign currencies

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

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

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

Non-monetary items denominated in foreign currencies and measured at historical cost are stated at the reporting currencies as originally translated from the foreign currencies.

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

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

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

g. Inventories

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

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

h. Investments in associates

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

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

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

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

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

i. Property, plant and equipment

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

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

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

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

j. Investment properties

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

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

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

k. Goodwill

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

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

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

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

l. Intangible assets

1) Intangible assets acquired separately

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

2) Intangible assets acquired in a business combination

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

3) Derecognition of intangible assets

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

m. Assets related to contract costs

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

n. Impairment of property, plant and equipment, right-of-use asset and intangible assets other than goodwill and assets

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

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

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

Before the Group recognizes an impairment loss from assets related to contract costs, any impairment loss on inventories, property, plant and equipment and intangible assets related to the contract applicable shall be recognized in accordance with applicable standards. Then, impairment loss from the assets related to the contract costs is recognized to the extent that the carrying amount of the assets exceeds the remaining amount of consideration that the Group expects to receive in exchange for related goods or services less the costs which relate directly to providing those goods or services and

which have not been recognized as expenses. The assets related to the contract costs are then included in the carrying amount of the cash-generating unit to which they belong for the purpose of evaluating impairment of that cash-generating unit.

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

o. Financial instruments

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

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

1) Financial assets

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

a) Measurement category

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

i. Financial assets at FVPTL

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

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

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

Financial assets at FVTPL are subsequently measured at fair value, and any dividends, interest earned and remeasurement gains or losses on such financial assets are recognized in other gains or losses. Fair value is determined in the manner described in Note 34.

ii. Financial assets at amortized cost

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

- i) The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

- ii) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

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

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

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

iii. Investments in equity instruments at FVTOCI

On initial recognition, the Group may make an irrevocable election to designate investments in equity instruments as at FVTOCI. Designation as at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognized by an acquirer in a business combination.

Investments in equity instruments at FVTOCI are subsequently measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in other equity. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments; instead, it will be transferred to retained earnings.

Dividends on these investments in equity instruments are recognized in profit or loss when the Group's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment.

b) Impairment of financial assets

The Group recognizes a loss allowance for expected credit losses on financial assets at amortized cost (including trade receivables).

The Group always recognizes lifetime expected credit loss (ECL) for trade receivables. For all other financial instruments, the Group recognizes lifetime ECL when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

Expected credit losses reflect the weighted average of credit losses with the respective risks of default occurring as the weights. Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

The Group recognizes an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

c) Derecognition of financial assets

The Group derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset at amortized cost in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss. However, on derecognition of an investment in an equity instrument at FVTOCI, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss, and the cumulative gain or loss which had been recognized in other comprehensive income is transferred directly to retained earnings, without recycling through profit or loss.

2) Financial liabilities

a) Subsequent measurement

All financial liabilities are measured at amortized cost using the effective interest method.

b) Derecognition of financial liabilities

The difference between the carrying amount of the financial liability derecognized and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

p. Provisions

Provisions are measured at the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

q. Revenue recognition

The Group identifies the contract with the customers, allocates the transaction price to the performance obligations, and recognizes revenue when performance obligations are satisfied.

Revenue from rendering of services

Revenue from rendering of services comes from real-estate brokerage and agency sale business and will be recognized when performance obligations are completed.

Revenue from sale of real estate

Revenue from sales of real estate in mainland China is recognized on the day of real estate transfer when buyers and sellers sign and register the sales contract to the local real estate institution and acceptance has been issued by relevant departments and the filing procedures are completed. The Group issues a notice of real estate transfer according to the provisions of the contract. Revenue from the sale of properties in Taiwan is recognized when construction is completed, certificates of ownership of the properties are transferred to buyers. Until such revenue is recognized, deposits and installment payments from sales of properties are recognized as contract liabilities - current in the consolidated balance sheets.

r. Leasing

At the inception of a contract, the Group assesses whether the contract is, or contains, a lease.

1) The Group as lessor

Leases are classified as finance leases whenever the terms of a lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Under finance leases, lease payments (less any lease incentives payable) from operating leases are recognized as income on a straight-line over the terms of the relevant leases. Initial direct costs incurred in obtaining operating leases are added to the carrying amounts of the underlying assets and recognized as expenses on a straight-line basis over the lease terms.

When a lease includes both land and building elements, the Group assesses the classification of each element separately as a finance or an operating lease based on the assessment as to whether substantially all the risks and rewards incidental to ownership of each element have been transferred to the lessee. The lease payments are allocated between the land and the building elements in proportion to the relative fair values of the leasehold interests in the land element and building element of the lease at the inception of a contract. If the allocation of the lease payments can be made reliably, each element is accounted for separately in accordance with its lease classification. When the lease payments cannot be allocated reliably between the land and building elements, the entire lease is generally classified as a finance lease unless it is clear that both elements are operating leases; in which case, the entire lease is classified as an operating lease.

2) The Group as lessee

The Group recognizes right-of-use assets and lease liabilities for all leases at the commencement date of a lease, except for short-term leases and low-value asset leases accounted for applying a recognition exemption where lease payments are recognized as expenses on a straight-line basis over the lease terms.

Right-of-use assets are initially measured at cost, which comprises the initial measurement of lease liabilities adjusted for lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs needed to restore the underlying assets, and less any lease incentives received. Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses and adjusted for any remeasurement of the lease liabilities. Right-of-use assets are presented on a separate line in the consolidated balance sheets.

Right-of-use assets are depreciated using the straight-line method from the commencement dates to the earlier of the end of the useful lives of the right-of-use assets or the end of the lease terms.

Lease liabilities are initially measured at the present value of the lease payments, which comprise fixed payments and in-substance fixed payments. The lease payments are discounted using the interest rate implicit in a lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group uses the lessee's incremental borrowing rate.

Subsequently, lease liabilities are measured at amortized cost using the effective interest method, with interest expense recognized over the lease terms. When there is a change in a lease term, or a change in the amounts expected to be payable under a residual value guarantee, the Group remeasures the lease liabilities with a corresponding adjustment to the right-of-use-assets. However, if the carrying amount of the right-of-use assets is reduced to zero, any remaining amount of the remeasurement is recognized in profit or loss. Lease liabilities are presented on a separate line in the consolidated balance sheets.

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. 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 as a deduction of expenses of variable lease payments, in the period in which the events or conditions that trigger the concession occur, and makes a corresponding adjustment to the lease liability.

s. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

Other than stated above, all other borrowing costs are recognized in profit or loss in the period in which they are incurred.

t. Employee benefits

1) Short-term employee benefits

Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

2) Retirement benefits

Payments to defined contribution retirement benefit plans are recognized as an expense when employees have rendered services entitling them to the contributions.

Defined benefit costs (including service cost, net interest and remeasurement) under the defined benefit retirement benefit plans are determined using the projected unit credit method. Service cost and net interest on the net defined benefit liability (asset) are recognized as employee benefits expense in the period they occur. Remeasurement (comprising actuarial gains and losses, effect of changes to the asset ceiling and return on plan assets excluding interest) is recognized in other comprehensive income in the period in which they occur. Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss.

Net defined benefit liabilities (assets) represent the actual deficit (surplus) in the Group's defined benefit plan. Any surplus resulting from this calculation is limited to the present value of any refunds from the plans or reductions in future contributions to the plans.

3) Other long-term employee benefits

Other long-term employee benefits are accounted for in the same way as the accounting required for defined benefit plan except that remeasurement is recognized in profit or loss.

u. Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

1) Current tax

Income tax payable (recoverable) is based on taxable profit (loss) for the year determined according to the applicable tax laws of each tax jurisdiction.

According to the Income Tax Act in the ROC, an additional tax on unappropriated earnings is provided for in the year the shareholders approve to retain earnings.

Adjustments of prior years' tax liabilities are added to or deducted from the current year's tax provision.

2) Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are recognized only to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and such temporary differences are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the assets to be recovered. A previously unrecognized deferred tax asset is also reviewed at the end of each reporting period and recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liabilities are settled or the assets are realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

3) Current and deferred tax for the year

Current and deferred taxes are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively.

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates.

The Group considers the economic implications of the COVID-19 when making its critical accounting estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Key Sources of Estimation Uncertainty

a. Impairment of property, plant and equipment and investment property

Impairment of property, plant and equipment and investment property is evaluated based on the recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. Any changes in the market prices or future cash flows will affect the recoverable amount of the equipment and may lead to the recognition of additional impairment losses or the reversal of impairment losses.

b. Write-down of inventory

Inventories are stated at the lower of cost or net realizable value. Net realizable value of inventory is the estimated selling price made by the Group taking into consideration the market value less the estimated costs of completion and the estimated costs necessary to make the sale. In the valuation process, if market condition changes, the Group will change the estimated net realizable value of inventory accordingly, which may result in an increase or decrease in the value of inventories.

6. CASH AND CASH EQUIVALENTS

	<u>December 31</u>	
	<u>2020</u>	<u>2019</u>
Cash on hand	\$ 17,468	\$ 15,301
Checking accounts and demand deposits	5,989,430	7,386,409
Cash equivalents		
Time deposits with original maturities of three months or less	<u>376,622</u>	<u>78,462</u>
	<u>\$ 6,383,520</u>	<u>\$ 7,480,172</u>

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

	<u>December 31</u>	
	<u>2020</u>	<u>2019</u>
Interest rate range	0%-2.4%	0%-2.02%

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

	<u>December 31</u>	
	<u>2020</u>	<u>2019</u>
<u>Financial assets mandatorily classified as at FVTPL - current</u>		
Non-derivative financial assets		
Domestic quoted shares	\$ 6,529	\$ 6,513
Mutual funds	60,278	53,467
Structured financial products	<u>38,718</u>	<u>14,653</u>
	<u>\$ 105,525</u>	<u>\$ 74,633</u>

Structured financial products which the Group bought from banks are structured time deposits with expected yield rate ranges of 0%-3% and 0%-4.35% as of December 31, 2020 and 2019, respectively.

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

Investment in Equity Instruments at FVTOCI

	<u>December 31</u>	
	<u>2020</u>	<u>2019</u>
<u>Current</u>		
Domestic investments		
Listed shares	\$ 102,917	\$ 383,088
Foreign investments		
Listed shares	<u>529,137</u>	<u>616,291</u>
	<u>\$ 632,054</u>	<u>\$ 999,379</u>

(Continued)

	<u>December 31</u>	
	2020	2019
<u>Non-current</u>		
Domestic investments		
Unlisted shares	\$ 116,152	\$ 95,532
Foreign investments		
Unlisted shares	<u>180,354</u>	<u>254,426</u>
	<u>\$ 296,506</u>	<u>\$ 349,958</u>
		(Concluded)

These investments in equity instruments are not held for trading. Instead, they are held for medium- to long-term strategic purposes. Accordingly, the management elected to designate these investments in equity instruments as at FVTOCI as the management believes that recognizing short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Group's strategy of holding these investments for long-term purposes.

9. NOTES RECEIVABLE, TRADE RECEIVABLES AND OTHER RECEIVABLES

	<u>December 31</u>	
	2020	2019
<u>Notes receivable</u>		
At amortized cost		
Operating-gross carrying amount	<u>\$ 104,650</u>	<u>\$ 45,814</u>
<u>Trade receivables</u>		
At amortized cost		
Gross carrying amount	\$ 1,257,855	\$ 1,055,219
Less: Allowance for impairment loss	<u>(10,948)</u>	<u>(14,919)</u>
	<u>\$ 1,246,907</u>	<u>\$ 1,040,300</u>
<u>Other receivables</u>		
Interest receivables	\$ 1,978	\$ 788
Others	58,058	39,053
Less: Allowance for impairment loss	<u>(8,419)</u>	<u>(5,268)</u>
	<u>\$ 51,617</u>	<u>\$ 34,573</u>

a. Trade receivables

The average credit period for the 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. Since the Group collected the receivables for providing real estate brokerage services from clients under escrow custody, the uncollectible risk is insignificant. Except for collections from real estate brokerage services rendered to individuals, for the real estate agency sales business, 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.

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 approach considering the past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of economic conditions at the reporting date. As the Group's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished according to the Group's different customer base.

The Group writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery. For trade receivables that have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognized in profit or loss.

The following table details the loss allowance of trade receivables based on the Group's provision matrix.

December 31, 2020

	Up to 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%-0.84%	29.23%-100%	
Gross carrying amount	\$ 1,123,832	\$ 119,400	\$ 76,468	\$ 25,130	\$ 21,496	\$ 1,366,326
Refund liabilities (Note 2)	(45,360)	(8,142)	(4,546)	(2,120)	(3,821)	(63,989)
Loss allowance (Lifetime ECL)	<u>(294)</u>	<u>(49)</u>	<u>(258)</u>	<u>(448)</u>	<u>(9,899)</u>	<u>(10,948)</u>
Amortized cost	<u>\$ 1,078,178</u>	<u>\$ 111,209</u>	<u>\$ 71,664</u>	<u>\$ 22,562</u>	<u>\$ 7,776</u>	<u>\$ 1,291,389</u>

December 31, 2019

	Up to 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 liabilities (Note 2)	(41,463)	(4,365)	(2,705)	(2,252)	(1,271)	(52,056)
Loss allowance (Lifetime ECL)	<u>(148)</u>	<u>(54)</u>	<u>(135)</u>	<u>(119)</u>	<u>(14,463)</u>	<u>(14,919)</u>
Amortized cost	<u>\$ 873,086</u>	<u>\$ 69,971</u>	<u>\$ 64,553</u>	<u>\$ 21,472</u>	<u>\$ 6,247</u>	<u>\$ 1,035,329</u>

Note 1: Refund liabilities were not included.

Note 2: Refund liabilities were recognized under other current liabilities and other non-current liabilities.

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

	2020	
	Trade Receivables	Other Receivables
Balance at January 1, 2020	\$ 14,919	\$ 5,268
Add: Amounts recovered	-	3,151
Less: Amounts written off	(4,111)	-
Foreign exchange losses	<u>140</u>	<u>-</u>
Balance at December 31, 2020	<u>\$ 10,948</u>	<u>\$ 8,419</u>
	2019	
	Trade Receivables	Other Receivables
Balance at January 1, 2019	\$ 17,901	\$ 5,268
Less: Amounts written off	(2,420)	-
Foreign exchange losses	<u>(562)</u>	<u>-</u>
Balance at December 31, 2019	<u>\$ 14,919</u>	<u>\$ 5,268</u>

b. Other receivables

Other receivables were the payments made on behalf of others, rental receivables and financing provided to vendors.

10. INVENTORIES

	December 31	
	2020	2019
Properties under development		
Binhu District, Wuxi	\$ 7,916,791	\$ 6,815,610
Banqiao District, New Taipei City	3,001,699	1,371,403
Properties to be developed		
Banqiao District, New Taipei City	-	1,241,624
Banqiao District, New Taipei City (for transferable development rights)	490	170,885
Others		
Shilin District, Taipei City	2,113	2,113
Inventory-merchandise		
Jiading District, Shanghai	488,489	910,105
Shilin District, Taipei City	<u>-</u>	<u>170,449</u>
	<u>\$ 11,409,582</u>	<u>\$ 10,682,189</u>

The cost of goods sold transferred from inventories was \$624,475 thousand and \$921,728 thousand for the years ended December 31, 2020 and 2019, respectively. The cost of goods sold included inventory write-downs of unsold parking space, which amounted to \$57,263 thousand and \$18,843 thousand for the years ended December 31, 2020 and 2019, respectively.

The amount transferred from inventory to investment property was \$95,861 thousand for the year ended December 31, 2019.

To ensure the smooth completion of the real estate project, Sinyi Development Inc. of the Group entered into trust contracts with banks on the real estate projects. The information of the real estate trust was as follows:

Project Name	Trustee	Trust Period
Sinyi Jia-Ho	Taishin 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

	December 31	
	2020	2019
Time deposits with original maturities of more than three months	\$ 109,170	\$ 121,570
Restricted assets - current	<u>7,189</u>	<u>117,479</u>
	<u>\$ 116,359</u>	<u>\$ 239,049</u>

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

	December 31	
	2020	2019
Time deposits with original maturities of more than three months	0.1%-1.13%	0.15%-1.15%

- b. Restricted assets - current are mainly operating guarantee for real-estate brokerage and restricted bank deposits. Refer to Note 36.

The interest rates of restricted assets - current and restricted bank deposits were as follows:

	December 31	
	2020	2019
Restricted assets - current	0.81%	1.06%
Restricted bank deposits	-	2%

12. SUBSIDIARIES

a. Subsidiaries included in the consolidated financial statements

The subsidiaries included in the consolidated financial statements as of December 31, 2020 and 2019 were as follows:

Investor	Investee	Main Businesses	Percentage of Ownership (%)		Remark
			2020	2019	
Sinyi Realty Inc.	Sinyi International Limited (Sinyi International)	Investment holding	100	100	
	Sinyi Development Inc. (Taiwan Sinyi Development)	Development, construction, rental and sale of residential building and factories	100	100	
	Sinyi Limited	Investment holding	100	100	
	Sinyi Global Asset Management Co., Ltd. (Sinyi Global)	Real estate brokerage	100	100	
	Heng-Yi Intelligent Technology Inc. (Heng-Yi)	Information software, data processing and electronic information providing services	80	75	Note 1
	Jui-Inn Consultants Co., Ltd. (Jui-Inn)	Management consulting	100	100	
	Sinyi Culture Publishing Inc. (Sinyi Culture)	Publication	99	99	
	An-Sin Real Estate Management Ltd. (An-Sin)	Real estate management	51	51	
	Yowoo Technology Inc. (Yowoo Technology)	Information software, data processing and electronic information providing services	100	100	
	Sinyi Realty Inc.	SIN CHIUN HOLDING SDN. BHD. (SIN CHIUN)	Investment holding	100	100
Sinyi Real Estate Consulting Limited (Sinyi Consulting)		Production of Instructions of real estate	100	100	
SINJU HOLDING SDN. BHD. (SINJU)		Investment holding	100	-	Note 2
SINYI MOREFUN TOURISM DEVELOPMENT LTD. (SINYI MOREFUN)		Investment holding	100	-	Note 3
Jin Mei Travel Service Co., Ltd. (Jin Mei)		Tourism	100	-	Note 4
Sinyi Limited	Ke Wei HK Realty Limited (Ke Wei HK)	Investment holding	99	99	
	Inane International Limited (Inane)	Investment holding	100	100	
Inane	Shanghai Sinyi Real Estate Inc. (Shanghai Sinyi Real Estate)	Real estate brokerage	100	100	
	Beijing Sinyi Real Estate Ltd. (Beijing Sinyi)	Real estate brokerage	100	100	
	Shanghai Zhi Xin allograph Ltd. (Shanghai Zhi Xin)	Management consulting	100	100	
	Max Success International Limited (Max Success)	Investment holding	100	100	
	Shanghai Sinyi Real Estate	Zhejiang Sinyi Real Estate Co., Ltd. (Zhejiang Sinyi)	Real estate brokerage and management consulting	100	100
Shanghai Sinyi Real Estate	Suzhou Sinyi Real Estate Inc. (Suzhou Sinyi)	Real estate brokerage and management consulting	100	100	
	Jiaxing Zhi Zheng Real Estate Marketing Planning Inc. (Jiaxing Zhi Zheng)	Real estate marketing planning and management consulting	100	100	
	Chuzhou Zhi Zheng Real Estate Marketing Planning Inc. (Chuzhou Zhi Zheng)	Real estate marketing planning and management consulting	-	-	Note 10
	Shanghai Zhi Xi	Suzhou Zhi Xin Real Estate Co., Ltd. (Suzhou Zhi Xin)	Market information consultation and management consulting	100	100
Ke Wei HK	Ke Wei Shanghai Real Estate Management Consulting Inc. (Ke Wei Shanghai)	Real estate brokerage and management consulting	100	100	
Sinyi International	Forever Success International Limited (Forever Success)	Investment holding	100	100	
	Sinyi Realty Inc. Japan (Japan Sinyi)	Real estate brokerage, management and identification	100	100	
	Sinyi Development Limited. (Sinyi Development)	Investment holding	100	100	
	Sinyi Estate Ltd. (Sinyi Estate)	Investment holding	100	100	

(Continued)

Investor	Investee	Main Businesses	Percentage of Ownership (%)		Remark
			2020	2019	
Forever Success	Shanghai Shang Tuo Investment Management Consulting Inc. (Shanghai Shang Tuo)	Real estate brokerage and management consulting	100	100	
	Hua Yun Renovation (Shanghai) Co., Ltd. (Hua Yun)	Professional construction, building decoration construction, interior decoration, hardware, general merchandise, building materials wholesale	100	100	
Shanghai Shang Tuo	Shanghai Chang Yuan Co., Ltd. (Shanghai Chang Yuan)	Property management	100	100	
Hua Yun	Lunheng Business Management (Shanghai) Ltd. (Lunheng)	Management consulting	4	100	Note 5
An-Sin	An-Shin Real Estate Management Ltd. (An-Shin)	Real estate management	100	100	
Japan Sinyi	Sinyi Management Co., Ltd. (Japan Management)	Real estate brokerage	100	100	
Sinyi Development	Tokyo Sinyi Real Estate Co., Ltd.	Real estate brokerage	100	100	
	Sinyi Real Estate (Hong Kong) Limited (Hong Kong Real Estate)	Investment holding	100	100	
Sinyi Estate	Kunshan Dingxian Trading Co., Ltd. (Kunshan Dingxian Trading)	Construction materials furniture, sanitary ware and ceramic products	100	100	
	Sinyi Estate (Hong Kong) Limited (Hong Kong Sinyi Estate)	Investment holding	100	100	
Hong Kong Real Estate	Sinyi Real Estate (Shanghai) Limited (Shanghai Real Estate)	Development of commercial and residential building and auxiliary facilities; and construction, rental, sale and property management	100	100	
Hong Kong Sinyi Estate	Jiu Xin Estate (Wuxi) Limited (Jiu Xin Estate)	Development of commercial and residential building	100	100	
Sinyi Real Estate (Shanghai) Limited	SinYeh Enterprise Management (Shanghai) Limited (SinYeh)	Development of commercial and residential building	100	100	
SinYeh Enterprise Management	Lunheng	Management consulting	96	-	Note 5
	Sinyi Real Estate (Wuxi) Limited (Sinyi Wuxi)	Real estate development and management, Property management, Real estate brokerage, Design of decoration engineering, Construction, Equipment lease	100	100	Note 6
Yowoo Technology	Heng-Yi	Information software, data processing and electronic information providing services	20	25	Note 1 Note 7
Taiwan Sinyi Development	Lian Yue Traffic Inc. (Lian Yue Traffic)	Manpower dispatch and Merchandise delivery	100	100	Note 8
	Da-Chia Construction Co., Ltd. (Da-Chia Construction)	Development, construction, rental and sales of residential building and factories	100	100	
SIN CHIUN	Sinyi Real Estate Co., Ltd. (Sinyi Real Estate)	Development, construction, rental and sales of residential building and factories	100	100	
	FIDELITY PROPERTY CONSULTANT SDN. BHD. (FIDELITY)	Investment holding	49	49	
PEGUSUS	PEGUSUS HOLDING SDN. BHD. (PEGUSUS)	Investment holding	100	100	
	FIDELITY PROPERTY CONSULTANT SDN. BHD. (FIDELITY)	Real estate brokerage, management and identification	51	51	
SINJU	SINKANG ADMINISTRATION SDN. BHD. (SINKANG)	Tourism	100	-	Note 9
	SINHONG INTERNATIONAL SDN. BHD.	Investment holding	-	-	Note 10
SINYI MOREFUN	SINYI INFINITE LIMITED (INFINITE)	Investment holding	-	-	Note 10
	SINYI ELITE LIMITED (ELITE)	Investment holding	-	-	Note 10
INFINITE	SINYI UNIQUE LIMITED (UNIQUE)	Investment holding	-	-	Note 10
	ZHANSIN TOURISM DEVELOPMENT SDN. BHD. (ZHANSIN)	Tourism	-	-	Note 10

(Continued)

Investor	Investee	Main Businesses	Percentage of Ownership (%)		Remark
			2020	2019	
ELITE	ZHANYI TOURISM DEVELOPMENT SDN. BHD. (ZHANYI)	Tourism	-	-	Note 10
UNIQUE	ZHANCHENG TOURISM DEVELOPMENT SDN. BHD. (ZHANCHENG)	Tourism	-	-	Note 10

(Concluded)

Remark:

Note 1: Heng-Yi issued ordinary shares for cash amounting to NT\$7,000 thousand in April 2020, which were fully subscribed for by the Company. After the subscription of the shares, the Company's shareholding proportion increased to 80%. The shareholding proportion of Yowoo Technology in Heng-Yi, however, is reduced to 20% because it did not purchase any of the aforementioned new shares issued.

Note 2: The Group acquired 100% ownership of SINJU in January 2020.

Note 3: The Group acquired 100% ownership of SINYI MOREFUN in August 2020.

Note 4: The Group acquired 100% ownership of Jin Mei in November 2019. Refer to Note 31.

Note 5: Lunheng issued ordinary shares for cash in August 2020, which were fully subscribed for by Sinyi Real Estate (Shanghai) Limited. After the subscription of the shares, the equity interest held by Sinyi Real Estate (Shanghai) Limited increased to 96%. The equity interest held by Hua Yun Renovation, however, is reduced to 4% because it did not purchase any of the aforementioned new shares issued.

Note 6: SinYeh acquired 100% ownership of Sinyi Wuxi in July 2019.

Note 7: The Group acquired 25% ownership of Heng-Yi from non-controlling interests through Yowoo Technology in March 2019. Refer to Note 31 for the details.

Note 8: The Group acquired 100% ownership of Lian Yue Traffic through Yowoo Technology in November 2019. Refer to Note 31 for the details.

Note 9: The Group acquired 100% ownership of SINKANG through SINJU in January 2020.

Note 10: The Group established the subsidiaries in 2020; as of December 31, 2020, the capital injection had not been completed.

b. Subsidiaries excluded from the consolidated financial statements: None.

13. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	December 31	
	2020	2019
Investments in associates	<u>\$ 38,057</u>	<u>\$ 31,900</u>

Investments in Associates

	December 31	
	2020	2019
Unlisted companies		
Sinyi Interior Design Co., Ltd.	\$ 15,641	\$ 15,774
Rakuya International Info. Co., Ltd.	<u>22,416</u>	<u>16,126</u>
	<u>\$ 38,057</u>	<u>\$ 31,900</u>

As of the end of the reporting period, the proportion of ownership and voting rights in associates held by the Group was as follows:

Name of Associate	December 31	
	2020	2019
Sinyi Interior Design Co., Ltd.	19%	19%
Rakuya International Info. Co., Ltd.	23%	23%

The summarized financial information in respect of the Group's associates is set out below:

	For the Year Ended December 31	
	2020	2019
The Group's shares		
Net income for continuing operations	\$ 6,790	\$ 1,525
Other comprehensive (loss) income	<u>(558)</u>	<u>3,378</u>
	<u>\$ 6,232</u>	<u>\$ 4,903</u>

Even with less than 20% of the voting rights of Sinyi Interior Design Co., Ltd., the Group is able to exercise significant influence over it; therefore, the investment is accounted for using the equity method.

The investments accounted for using the equity method and the share of profit or loss and other comprehensive income of the investments for the years ended December 31, 2020 and 2019 were based on unaudited financial statements. The Group's management believes the unaudited financial statements of investees do not have a material impact on the equity method of accounting or the calculation of the share of profit or loss and other comprehensive income.

14. PROPERTY, PLANT AND EQUIPMENT

	Freehold Land	Buildings	Transportation Equipment	Office Equipment	Leased Assets	Leasehold Improvements	Other Equipment	Construction in Progress and Prepayments for Equipment	Total
<i>Cost</i>									
Balance at January 1, 2020	\$ 2,833,746	\$ 595,494	\$ 10,972	\$ 414,674	\$ -	\$ 589,581	\$ 88,651	\$ 6,751	\$ 4,539,869
Additions	-	-	1,407	43,550	-	59,430	5,887	18,270	128,544
Disposals	-	-	(1,900)	(18,492)	-	(20,928)	-	-	(41,320)
To investment properties	-	-	-	-	-	-	-	(16,716)	(16,716)
To intangible asset	-	-	-	-	-	-	-	(540)	(540)
Acquisitions through business combinations	-	-	-	317	-	-	-	-	317
Reclassification	-	-	-	-	-	166	6,571	(6,737)	-
Effect of foreign currency exchange differences	-	2,594	118	659	-	1,279	-	-	4,650
Balance at December 31, 2020	<u>\$ 2,833,746</u>	<u>\$ 598,088</u>	<u>\$ 10,597</u>	<u>\$ 440,708</u>	<u>\$ -</u>	<u>\$ 629,528</u>	<u>\$ 101,109</u>	<u>\$ 1,028</u>	<u>\$ 4,614,804</u>

(Continued)

	Freehold Land	Buildings	Transportation Equipment	Office Equipment	Leased Assets	Leasehold Improvements	Other Equipment	Construction in Progress and Prepayments for Equipment	Total
<u>Accumulated depreciation</u>									
Balance at January 1, 2020	\$ -	\$ 158,613	\$ 6,229	\$ 332,111	\$ -	\$ 466,811	\$ 80,470	\$ -	\$ 1,044,234
Depreciation expense	-	16,894	797	32,306	-	47,057	4,020	-	101,074
Disposals	-	-	(633)	(17,811)	-	(20,097)	-	-	(38,541)
Acquisitions through business combinations	-	-	-	317	-	-	-	-	317
Effect of foreign currency exchange differences	-	317	77	622	-	1,185	-	-	2,201
Balance at December 31, 2020	<u>\$ -</u>	<u>\$ 175,824</u>	<u>\$ 6,470</u>	<u>\$ 347,545</u>	<u>\$ -</u>	<u>\$ 494,956</u>	<u>\$ 84,490</u>	<u>\$ -</u>	<u>\$ 1,109,285</u>
Net carrying amount at December 31, 2020	<u>\$ 2,833,746</u>	<u>\$ 422,264</u>	<u>\$ 4,127</u>	<u>\$ 93,163</u>	<u>\$ -</u>	<u>\$ 134,572</u>	<u>\$ 16,619</u>	<u>\$ 1,028</u>	<u>\$ 3,505,519</u>
<u>Cost</u>									
Balance at January 1, 2019	\$ 2,833,746	\$ 660,163	\$ 10,654	\$ 388,221	\$ 4,671	\$ 548,513	\$ 87,384	\$ 2,680	\$ 4,536,032
Additions	-	-	571	36,640	-	62,196	1,297	6,751	107,455
Disposals	-	-	-	(8,294)	(4,671)	(20,610)	(30)	-	(33,605)
To investment properties	-	(58,654)	-	-	-	-	-	-	(58,654)
Reclassification	-	-	-	-	-	2,680	-	(2,680)	-
Effect of foreign currency exchange differences	-	(6,015)	(253)	(1,893)	-	(3,198)	-	-	(11,359)
Balance at December 31, 2019	<u>\$ 2,833,746</u>	<u>\$ 595,494</u>	<u>\$ 10,972</u>	<u>\$ 414,674</u>	<u>\$ -</u>	<u>\$ 589,581</u>	<u>\$ 88,651</u>	<u>\$ 6,751</u>	<u>\$ 4,539,869</u>
<u>Accumulated depreciation</u>									
Balance at January 1, 2019	\$ -	\$ 143,941	\$ 5,442	\$ 310,202	\$ 4,671	\$ 442,957	\$ 75,613	\$ -	\$ 982,826
Depreciation expense	-	19,224	948	30,404	-	46,505	4,878	-	101,959
Disposals	-	-	-	(6,963)	(4,671)	(20,147)	(22)	-	(31,803)
To investment properties	-	(4,108)	-	-	-	-	-	-	(4,108)
Effect of foreign currency exchange differences	-	(444)	(161)	(1,532)	-	(2,504)	1	-	(4,640)
Balance at December 31, 2019	<u>\$ -</u>	<u>\$ 158,613</u>	<u>\$ 6,229</u>	<u>\$ 332,111</u>	<u>\$ -</u>	<u>\$ 466,811</u>	<u>\$ 80,470</u>	<u>\$ -</u>	<u>\$ 1,044,234</u>
Net carrying amount at December 31, 2019	<u>\$ 2,833,746</u>	<u>\$ 436,881</u>	<u>\$ 4,743</u>	<u>\$ 87,563</u>	<u>\$ -</u>	<u>\$ 122,770</u>	<u>\$ 8,181</u>	<u>\$ 6,751</u>	<u>\$ 3,495,635</u>

(Concluded)

The above items of property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives as follows:

Buildings - main buildings	21-60 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 years ended December 31, 2020 and 2019.
- Refer to Note 36 for the details of property, plant and equipment pledged as collateral.

15. LEASE ARRANGEMENTS

- Right-of-use assets

	<u>December 31</u>	
	<u>2020</u>	<u>2019</u>
<u>Carrying amounts</u>		
Land	\$ 1,583,111	\$ 1,048,087
Buildings	3,420,460	3,256,490
Other equipment	<u>17,447</u>	<u>16,295</u>
	<u>\$ 5,021,018</u>	<u>\$ 4,320,872</u>

	For the Year Ended December 31	
	2020	2019
Additions to right-of-use assets	<u>\$ 1,288,563</u>	<u>\$ 1,509,243</u>
Depreciation charge for right-of-use assets		
Land	\$ 15,667	\$ -
Buildings	540,761	539,041
Other equipment	<u>8,503</u>	<u>6,902</u>
	<u>\$ 564,931</u>	<u>\$ 545,943</u>

b. Lease liabilities

	December 31	
	2020	2019
<u>Carrying amounts</u>		
Current	<u>\$ 544,776</u>	<u>\$ 488,421</u>
Non-current	<u>\$ 2,947,766</u>	<u>\$ 2,795,104</u>

Range of discount rate for lease liabilities was as follows:

	December 31	
	2020	2019
Land	5%	5%
Buildings	0.99%-5.7%	1.11%-5.7%
Other equipment	0.99%-1.29%	1.28%-1.29%

c. Material leasing activities and terms

The Group signed an agreement to acquire the land use rights for land in Malaysia in 2019 in batches and completed the legal procedures of possession right transfer in December 2019 and in August 2020. The land use rights are valid until December 31, 2096. The Group does not have bargain purchase options to acquire the land at the end of the lease term and must return the land to the local government.

The Group leases buildings for the use of office spaces and retail stores with lease terms of 1 to 20 years. The Group does not have bargain purchase options to acquire the buildings at the end of the lease terms. In addition, the Group is prohibited from transferring all or any portion of the underlying assets without the lessor's consent.

Due to the impact of the COVID-19 pandemic in 2020, the Group negotiated with the lessor for rent concessions. The lessor agreed to provide an unconditional rent reduction, and the Group recognized in profit or loss the impact of rent concessions of \$8,898 thousand (recognized as other gains and losses) for the year ended December 31, 2020.

d. Other lease information

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

	For the Year Ended December 31	
	2020	2019
Expenses relating to short-term and low-value asset leases	<u>\$ 38,714</u>	<u>\$ 42,162</u>
Total cash outflow for leases	<u>\$ 608,034</u>	<u>\$ 633,588</u>

The Group's leases of certain assets qualify as short-term leases and low-value asset leases. The Group has elected to apply the recognition exemption and thus, did not recognize right-of-use assets and lease liabilities for these leases.

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)	(3,616)	(40,008)
Transferred from property, plant and equipment	15,817	899	16,716
Effects of foreign currency exchange differences	<u>-</u>	<u>2,267</u>	<u>2,267</u>
Balance at December 31, 2020	<u>\$ 1,906,418</u>	<u>\$ 458,191</u>	<u>\$ 2,364,609</u>
<u>Accumulated depreciation and impairment</u>			
Balance at January 1, 2020	\$ 16,712	\$ 113,911	\$ 130,623
Impairment loss recognized	3,163	180	3,343
Depreciation expense	-	13,625	13,625
Disposals	(3,801)	(280)	(4,081)
Effects of foreign currency exchange differences	<u>-</u>	<u>388</u>	<u>388</u>
Balance at December 31, 2020	<u>\$ 16,074</u>	<u>\$ 127,824</u>	<u>\$ 143,898</u>
Net carrying amount at December 31, 2020	<u>\$ 1,890,344</u>	<u>\$ 330,367</u>	<u>\$ 2,220,711</u>
<u>Cost</u>			
Balance at January 1, 2019	\$ 1,876,100	\$ 319,835	\$ 2,195,935
Additions	82,918	11,406	94,324
Disposals	(32,025)	(8,096)	(40,121)
Transferred from inventories	-	95,861	95,861
Transferred from property, plant and equipment	-	58,654	58,654
Effects of foreign currency exchange differences	<u>-</u>	<u>(19,019)</u>	<u>(19,019)</u>
Balance at December 31, 2019	<u>\$ 1,926,993</u>	<u>\$ 458,641</u>	<u>\$ 2,385,634</u>

(Continued)

	Land	Buildings	Total
<u>Accumulated depreciation and impairment</u>			
Balance at January 1, 2019	\$ 10,010	\$ 102,405	\$ 112,415
Impairment loss recognized	16,584	2,281	18,865
Depreciation expense	-	8,140	8,140
Disposals	(9,882)	(2,850)	(12,732)
Transferred from property, plant and equipment	-	4,108	4,108
Effects of foreign currency exchange differences	<u>-</u>	<u>(173)</u>	<u>(173)</u>
Balance at December 31, 2019	<u>\$ 16,712</u>	<u>\$ 113,911</u>	<u>\$ 130,623</u>
Net carrying amount at December 31, 2019	<u>\$ 1,910,281</u>	<u>\$ 344,730</u>	<u>\$ 2,255,011</u> (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 payment receivables under operating leases of investment properties as of December 31, 2019 was as follows:

	December 31, 2020	December 31, 2019
Year 1	\$ 107,095	\$ 86,280
Year 2	105,220	84,860
Year 3	103,475	82,823
Year 4	97,157	82,062
Year 5	46,609	77,256
Year 6 onwards	<u>31</u>	<u>38,566</u>
	<u>\$ 459,587</u>	<u>\$ 451,847</u>

The investment properties are depreciated on a straight-line basis over their estimated useful lives as follows:

Buildings - main buildings 30-60 years

The total fair value of the Group's investment properties, freehold land and buildings as of December 31, 2020 and 2019 was \$9,547,144 thousand and \$10,224,342 thousand, respectively. The fair value was determined by the management of the Group using the valuation model that market participants would generally use in determining fair value, and the fair value was measured by using Level 3 inputs. The valuation model was based on the sales comparison approach and direct capitalization method, where fair value indicators of the different valuation techniques are weighed and adjustments are made by reference to the available market information on the measurement date. The Group assessed that for part of the investment properties, the recoverable amount is less than the carrying amount; and recognized an impairment loss of \$3,343 thousand and \$18,865 thousand, classified as other gains and losses in 2020 and 2019, respectively.

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

17. INTANGIBLE ASSETS

	<u>December 31</u>	
	<u>2020</u>	<u>2019</u>
Franchises (Note 38)	\$ 40,851	\$ 45,293
Goodwill (Note 31)	2,870	5,452
System software costs	48,746	42,994
Patent rights	<u>2,292</u>	<u>3,542</u>
	<u>\$ 94,759</u>	<u>\$ 97,281</u>

<u>Cost</u>	Franchises	Goodwill	System Software Costs	Patent Rights	Total
Balance at January 1, 2020	\$ 91,606	\$ 25,586	\$ 273,382	\$ 5,000	\$ 395,574
Additions	-	-	31,041	-	31,041
Disposals	-	-	(1,524)	-	(1,524)
Acquisition through business combinations	-	2,870	-	-	2,870
From property, plant, and equipment	-	-	540	-	540
Effect of foreign currency exchange differences	<u>(4,584)</u>	<u>-</u>	<u>331</u>	<u>-</u>	<u>(4,253)</u>
Balance at December 31, 2020	<u>\$ 87,022</u>	<u>\$ 28,456</u>	<u>\$ 303,770</u>	<u>\$ 5,000</u>	<u>\$ 424,248</u>
<u>Accumulated amortization</u>					
Balance at January 1, 2020	\$ 46,313	\$ 20,134	\$ 230,388	\$ 1,458	\$ 298,293
Amortization expense	2,257	-	25,840	1,250	29,347
Disposals	-	-	(1,524)	-	(1,524)
Impairment loss	-	5,452	-	-	5,452
Effect of foreign currency exchange differences	<u>(2,399)</u>	<u>-</u>	<u>320</u>	<u>-</u>	<u>(2,079)</u>
Balance at December 31, 2020	<u>\$ 46,171</u>	<u>\$ 25,586</u>	<u>\$ 255,024</u>	<u>\$ 2,708</u>	<u>\$ 329,489</u>
Net carrying amount at December 31, 2020	<u>\$ 40,851</u>	<u>\$ 2,870</u>	<u>\$ 48,746</u>	<u>\$ 2,292</u>	<u>\$ 94,759</u>
<u>Cost</u>					
Balance at January 1, 2019	\$ 93,851	\$ 20,134	\$ 256,019	\$ 5,000	\$ 375,004
Additions	-	-	19,694	-	19,694
Disposals	-	-	(1,589)	-	(1,589)
Acquisition through business combinations (Note 31)	-	5,452	-	-	5,452
Effect of foreign currency exchange differences	<u>(2,245)</u>	<u>-</u>	<u>(742)</u>	<u>-</u>	<u>(2,987)</u>
Balance at December 31, 2019	<u>\$ 91,606</u>	<u>\$ 25,586</u>	<u>\$ 273,382</u>	<u>\$ 5,000</u>	<u>\$ 395,574</u>
<u>Accumulated amortization</u>					
Balance at January 1, 2019	\$ 45,102	\$ 9,621	\$ 204,952	\$ -	\$ 259,675
Amortization expense	2,361	-	27,056	1,458	30,875
Disposals	-	-	(900)	-	(900)
Impairment loss	-	10,513	-	-	10,513
Effect of foreign currency exchange differences	<u>(1,150)</u>	<u>-</u>	<u>(720)</u>	<u>-</u>	<u>(1,870)</u>
Balance at December 31, 2019	<u>\$ 46,313</u>	<u>\$ 20,134</u>	<u>\$ 230,388</u>	<u>\$ 1,458</u>	<u>\$ 298,293</u>
Net carrying amount at December 31, 2019	<u>\$ 45,293</u>	<u>\$ 5,452</u>	<u>\$ 42,994</u>	<u>\$ 3,542</u>	<u>\$ 97,281</u>

- a. The above intangible assets with finite useful lives are amortized on a straight-line basis over their estimated useful lives as follows:

Franchises	40 years
System software costs	2-5 years
Patent rights	4 years

- b. The goodwill of NT\$5,452 thousand, generated from the acquisition of Lian Yue Traffic in November 2019, was mainly due to the expected increase in revenue through manpower dispatch services. After the acquisition, since the actual operating income did not grow as expected, and the Group assessed that the future recoverable amount is less than its carrying amount, the Group recognized an impairment loss in 2020 which was classified as other gains and losses.

18. OTHER ASSETS

	December 31	
	2020	2019
Overpaid VAT	\$ 127,136	\$ 14,126
Prepaid expenses	56,491	48,735
Tax prepayment	47,759	26,679
Temporary payments	14,705	11,879
Overdue receivables	3,821	1,271
Prepayments for right-of-use asset - land	-	60,474
Others	<u>1,890</u>	<u>1,890</u>
	<u>\$ 251,802</u>	<u>\$ 165,054</u>
Current	\$ 246,092	\$ 101,419
Non-current	<u>5,710</u>	<u>63,635</u>
	<u>\$ 251,802</u>	<u>\$ 165,054</u>

Prepayments for the right-of-use asset are prepayments made by subsidiary SIN CHIUN HOLDING SDN. BHD. for purchasing right-of-use of land at Pulau Mengalum, Sabah, Malaysia. The Group had completed the legal process for the transfer of the possession right 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 Shanghai Real Estate and Jiu Xin Estate in Mainland China.

19. BORROWINGS

a. Long-term borrowings

	<u>December 31</u>	
	2020	2019
<u>Secured borrowings</u>		
Bank loans	\$ 2,831,288	\$ 4,299,112
<u>Unsecured borrowings</u>		
Unsecured loans	<u>970,000</u>	<u>2,600,000</u>
	3,801,288	6,899,112
Less: Current portion	<u>(27,210)</u>	<u>(25,295)</u>
Long-term borrowings	<u>\$ 3,774,078</u>	<u>\$ 6,873,817</u>

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

Details of Borrowings		<u>December 31</u>	
		2020	2019
E.SUN Bank	Credit facility: \$2,420,000 thousand. Period: August 2, 2019 to August 2, 2022. Floating interest rate of 0.93% ; 1.2%. Interest is paid monthly and principal is repaid at maturity. The Group repaid the debts of \$1,200,000 thousand in December 2020.	\$ 500,000	\$ 1,700,000
Bank of East Asia	Credit facility: \$1,600,000 thousand. Period: September 1, 2020 to September 30, 2023. Floating interest rate as of 1.096%. Interest is paid monthly and principal is repaid at maturity.	300,000	-
Yuanta Bank	Credit facility: \$400,000 thousand. Period: March 20, 2019 to March 19, 2021. Fixed interest rate of 1.15%. Interest is paid monthly and principal is repaid at maturity. The Group repaid all the debts in January 2020.	-	400,000
Yuanta Bank	Credit facility: \$600,000 thousand. Period: March 18, 2020 to March 17, 2022. Fixed interest rate of 0.86%. Interest is paid monthly and principal is repaid at maturity.	150,000	-
Mizuho Bank	Credit facility: \$300,000 thousand. Period: November 30, 2019 to November 30, 2021. Fixed interest rate of 1.16%. Interest is paid monthly and principal is repaid at maturity. The Group repaid all the debts in January 2020.	-	300,000

(Continued)

		December 31	
		2020	2019
Mizuho Bank	Credit facility: \$600,000 thousand. Period: February 27, 2020 to January 20, 2023. Fixed interest rate of 0.93%. Interest is paid monthly and principal is repaid at maturity.	\$ 100,000	\$ -
Far Eastern Bank	Credit facility: \$800,000 thousand. Period: May 2, 2019 to May 2, 2021. Fixed rate of 1.19%. Interest is paid monthly and principal is repaid at maturity.	-	600,000
Far Eastern Bank	The Group repaid all the debts in March 2020. Credit facility: \$800,000 thousand. Period: June 10, 2020 to June 10, 2022. Fixed interest rate of 0.95%. Interest is paid monthly and principal is repaid at maturity.	300,000	-
Taishin Bank	Credit facility: \$1,900,000 thousand. Period: September 8, 2017 to September 8, 2022. Fixed interest rate of 1.73%. Interest is paid monthly and principal is repaid at maturity.	410,000	345,000
Taishin Bank	Credit facility: \$748,000 thousand. Period: March 29, 2019 to March 29, 2024. Fixed interest rate of 1.73%. Interest is paid monthly and principal is repaid at maturity.	748,000	748,000
Taishin Bank	Credit facility: \$300,000 thousand. Period: December 25, 2019 to December 25, 2022. Fixed interest rate of 0.95%, 1.05%. Interest is paid monthly and principal is repaid at maturity.	120,000	200,000
Taishin Bank	The Group repaid the debts of \$80,000 thousand in December 2020. Credit facility: \$625,000 thousand. Period: March 29, 2019 to March 29, 2024. Fixed interest rate of 1.73%. Interest is paid monthly and principal is repaid at maturity.	10,000	-
DBS	Credit facility: US\$400,000 thousand (equal to \$1,200,000 thousand New Taiwan dollars). Period: January 2, 2019 to January 2, 2021. Floating interest rate of 1.14%. Interest is paid monthly and principal is repaid at maturity.	-	400,000
TC Bank	The Group repaid all the debts in March 2020. Credit facility: \$200,000 thousand. Period: August 31, 2020 to August 24, 2022. Fixed interest rate of 1%. Interest is paid monthly and principal is repaid at maturity.	50,000	-

(Continued)

		December 31	
		2020	2019
Mega Bank	Credit facility: \$250,000 thousand. Period: August 13, 2018 to August 13, 2021. Floating interest rate of 1.20%. Interest is paid monthly and principal is repaid at maturity.	\$ -	\$ 200,000
Mega Bank	The Group repaid all the debts in June 2020. Credit facility: \$500,000 thousand. Period: December 29, 2020 to December 29, 2023. Floating interest rate of 1.045%. Interest is paid monthly and principal is repaid at maturity.	100,000	-
Shin Kong Bank	Credit facility: \$200,000 thousand. Period: November 21, 2018 to November 20, 2021. Fixed interest rate of 1.15%. Interest is paid monthly and principal is repaid at maturity.	-	200,000
Shanghai Pudon Development Bank	The Group repaid all the debts in June 2020. Credit facility: RMB600,000 thousand. Period: December 26, 2018 to December 25, 2023. Fixed interest rate of 5.70%. Interest is paid quarterly and principal is repaid semi-annually per agreement. The Group repaid portions of debts between July 2020 to September 2020.	813,288	1,506,112
Shanghai Commercial and Savings Bank	Credit facility: \$400,000 thousand. Period: December 8, 2018 to December 8, 2021. Fixed interest rate of 1.20%. Interest is paid monthly and principal is repaid at maturity.		200,000
First Bank	The Group repaid all the debts in June 2020. Credit facility: \$100,000 thousand. Period: April 10, 2019 to April 10, 2021. Fixed interest rate of 1.16%. Interest is paid monthly and principal is repaid at maturity.		100,000
Hua Nan Bank	The Group repaid all the debts in April 2020. Credit facility: \$500,000 thousand. Period: January 30, 2020 to January 30, 2023. Floating interest rate of 0.92%. Interest is paid monthly and principal is repaid at maturity.	200,000	-
Total long-term borrowings		<u>\$ 3,801,288</u>	<u>\$ 6,899,112</u>
			(Concluded)

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

20. BONDS PAYABLE

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

The major terms of domestic unsecured bonds were 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. CONTRACT LIABILITIES & UNEARNED REVENUE

	<u>December 31</u>	
	2020	2019
<u>Contract liabilities</u>		
Advance receipts from real estate transactions	<u>\$ 1,479,529</u>	<u>\$ 284,387</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-sales real estate. In real estate development, after the sales contracts have been signed with the customers, sales revenue from the units that have been delivered on the date of delivery of the real estate is recognized and the related inventory costs are transferred to cost of sales. Deposits and installment payments received prior to qualifying for sales revenue recognition are included in the consolidated balance sheets under contract liabilities - current.

22. TRADE PAYABLES

	<u>December 31</u>	
	2020	2019
Construction payables	<u>\$ 274,861</u>	<u>\$ 379,619</u>

23. OTHER LIABILITIES

	<u>December 31</u>	
	2020	2019
<u>Current</u>		
Other payables	\$ 3,122,574	\$ 2,618,266
Other liabilities	<u>258,577</u>	<u>119,104</u>
	<u>\$ 3,381,151</u>	<u>\$ 2,737,370</u>
<u>Non-current</u>		
Other liabilities	<u>\$ 920,293</u>	<u>\$ 653,501</u>

a. Other payables were as follows:

	<u>December 31</u>	
	2020	2019
<u>Other payables - expenses</u>		
Payables for performance bonus and salaries	\$ 2,081,110	\$ 1,606,694
Payables for annual leave	149,136	125,095
Advertisement payable	115,405	107,856
Payables for labor and health insurance	91,550	85,944
Interest payables	35,580	29,053
Payables for employees bonuses and remuneration of directors	28,119	20,733
Payables for professional fees	8,651	14,780
Others	<u>199,079</u>	<u>180,333</u>
	<u>\$ 2,708,630</u>	<u>\$ 2,170,488</u>
<u>Other payables - others</u>		
Receipts under custody from real estate transactions	\$ 316,873	\$ 348,256
Other receipts under custody	64,104	53,733
Receipts under custody - escrow service	<u>1</u>	<u>1</u>
	<u>\$ 380,978</u>	<u>\$ 401,990</u>
<u>Other payables to related parties</u>		
Financing from related parties		
Loans from related parties	\$ 23,636	\$ 37,023
Interest payable	7,772	7,429
Others	<u>1,558</u>	<u>1,336</u>
	<u>\$ 32,966</u>	<u>\$ 45,788</u>

1) Employees and senior management who meet the performance standards under the bonus rules are eligible for performance bonuses. Performance bonuses to be paid one year later are recorded as other liabilities - non-current.

- 2) Loans from related parties were accounted for other payables to related parties with nil interest rates for the years ended December 31, 2020 and 2019.
- 3) Receipts under custody from real estate transactions were the money received by real estate brokers - Shanghai Sinyi Real Estate, Zhejiang Sinyi, Suzhou Sinyi, Japan Sinyi, Japan Management and FIDELITY from buyers that had concluded transactions, but not yet transferred to the sellers.
- 4) Receipts under custody from escrow service were the money received by An-Sin and An-Shin from buyers of real estate transactions but not yet transferred to the sellers. Composition was as follows:

	December 31	
	2020	2019
Receipts under custody - escrow service	\$ 14,611,007	\$ 11,565,378
Interest payables	2,162	1,721
Deposit accounts	<u>\$ (14,613,168)</u>	<u>\$ (11,567,098)</u>
	<u>\$ 1</u>	<u>\$ 1</u>

- a) Receipts under custody - performance guarantee were receipts under custody from sellers of real estate transactions with interest rate of 0.01%-0.09% for the years ended December 31, 2020 and 2019.
 - 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:

	December 31	
	2020	2019
<u>Current</u>		
VAT payable and other tax payable	\$ 170,455	\$ 37,203
Refund liabilities	60,168	50,785
Others	<u>27,954</u>	<u>31,116</u>
	<u>\$ 258,577</u>	<u>\$ 119,104</u>
<u>Non-current</u>		
Long-term bonus payable	\$ 916,472	\$ 652,230
Refund liabilities	<u>3,821</u>	<u>1,271</u>
	<u>\$ 920,293</u>	<u>\$ 653,501</u>

The VAT payable and other tax payable were the VAT of the Group and other tax payable of Shanghai Real Estate and Jiu Xin Estate on the pre-sold real estate in mainland China.

24. PROVISIONS

	<u>December 31</u>	
	<u>2020</u>	<u>2019</u>
Operating loss provisions	\$ <u>8,444</u>	\$ <u>9,374</u>
	For the Year Ended December 31	
	<u>2020</u>	<u>2019</u>
Balance at January 1, 2020	\$ 9,374	\$ 6,322
Additional provisions recognized	4,687	3,052
Usage	<u>(5,617)</u>	<u>-</u>
Balance at December 31, 2020	\$ <u>8,444</u>	\$ <u>9,374</u>

The provision for operating losses was recognized as possible operating defects in performing the escrow and brokerage business. The provisions were estimated on the basis of evaluation of the escrow service and brokerage service provided, historical experience and pertinent factors.

25. RETIREMENT BENEFIT PLANS

a. Defined contribution plans

The pension plan under the Labor Pension Act (LPA) is a defined contribution plan. Based on the LPA, the Company, An-Sin, An-Shin, Sinyi Global, Sinyi Development, Heng-Yi, Yowoo Technology, Tokyo Sinyi, Sinyi Consulting, Lian Yue Traffic and Jin Mei make monthly contributions to employees' individual pension accounts at 6% of monthly salaries and wages.

The employees of the Group's subsidiaries in other countries are members of a state-managed retirement benefit plan operated by local government. The subsidiary is required to contribute amounts calculated at a specified percentage of payroll costs to the retirement benefit scheme to fund the benefits. The only obligation of the Group with respect to the retirement benefit plan is to make the specified contributions to the fund.

Sinyi Limited, Sinyi International, Forever Success, Inane, Ke Wei HK, Max Success, Sinyi Development, Sinyi Estate, SIN CHIUN, Hong Kong Real Estate, Hong Kong Sinyi Estate, Sinyi Culture, Da-Chia Construction, Sinyi Real Estate, Jui-Inn, SINJU, SINKANG, and SINYI MOREFUN have no full-time employees. Thus, there are no related pension obligations or pension costs.

b. Defined benefit plans

The defined benefit plans adopted by the Company, An-Sin, Sinyi Global, and Sinyi Consulting in accordance with the Labor Standards Act are operated by the government. Pension benefits are calculated on the basis of the length of service and average monthly salaries of the six months before retirement. The Company, An-Sin, Sinyi Global and Sinyi Consulting contribute amounts equal to 2% of total monthly salaries and wages to a pension fund administered by the pension fund monitoring committee. Pension contributions are deposited in the Bank of Taiwan in the committee's name. Before the end of each year, the Group assesses the balance in the pension fund. If the amount of the balance in the pension fund is inadequate to pay retirement benefits for employees who conform to retirement requirements in the next year, the Group is required to fund the difference in one appropriation that should be made before the end of March of the next year. The pension fund is managed by the Bureau of Labor Funds, Ministry of Labor (the "Bureau"); the Group has no right to influence the investment policy and strategy.

The amounts included in the consolidated balance sheets in respect of the Group's defined benefit plans were as follows:

	December 31	
	2020	2019
Present value of defined benefit obligation	\$ 766,368	\$ 736,259
Fair value of plan assets	<u>(596,988)</u>	<u>(578,853)</u>
Deficit	<u>169,380</u>	<u>157,406</u>
Net defined benefit liabilities	<u>\$ 169,380</u>	<u>\$ 157,406</u>

Movements in net defined benefit liabilities were as follows:

	Present Value of the Defined Benefit Obligation	Fair Value of the Plan Assets	Net Defined Benefit (Assets) Liabilities
Balance at January 1, 2019	\$ <u>681,028</u>	\$ <u>(566,166)</u>	\$ <u>114,862</u>
Service cost			
Current service cost	4,719	-	4,719
Past service cost	289	-	289
Net interest expense (income)	<u>8,644</u>	<u>(7,202)</u>	<u>1,442</u>
Recognized in profit or loss	<u>13,652</u>	<u>(7,202)</u>	<u>6,450</u>
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(18,321)	(18,321)
Actuarial loss - changes in demographic assumptions	7,538	-	7,538
Actuarial loss - changes in financial assumptions	43,769	-	43,769
Actuarial loss - experience adjustments	<u>20,302</u>	<u>-</u>	<u>20,302</u>
Recognized in other comprehensive income	<u>71,609</u>	<u>(18,321)</u>	<u>53,288</u>
Contributions from the employer	<u>-</u>	<u>(14,109)</u>	<u>(14,109)</u>
Benefits paid	<u>(30,030)</u>	<u>26,945</u>	<u>(3,085)</u>
Balance at December 31, 2019	<u>736,259</u>	<u>(578,853)</u>	<u>157,406</u>
Service cost			
Current service cost	1,516	-	1,516
Past service cost	3,460	-	3,460
Net interest expense (income)	<u>5,523</u>	<u>(4,380)</u>	<u>1,143</u>
Recognized in profit or loss	<u>10,499</u>	<u>(4,380)</u>	<u>6,119</u>
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(19,188)	(19,188)
Actuarial loss - changes in demographic assumptions	9,277	-	9,277
Actuarial loss - changes in financial assumptions	22,088	-	22,088
Actuarial loss - experience adjustments	<u>8,097</u>	<u>-</u>	<u>8,097</u>
Recognized in other comprehensive income	<u>39,462</u>	<u>(19,188)</u>	<u>20,274</u>
Contributions from the employer	<u>-</u>	<u>(14,419)</u>	<u>(14,419)</u>
Benefits paid	<u>(19,852)</u>	<u>19,852</u>	<u>-</u>
Balance at December 31, 2020	<u>\$ 766,368</u>	<u>\$ (596,988)</u>	<u>\$ 169,380</u>

An analysis by function of the amounts recognized in profit or loss in respect of the defined benefit plans is as follows:

	For the Year Ended December 31	
	2020	2019
Operating costs	\$ 5,462	\$ 4,426
General and administrative expenses	<u>657</u>	<u>2,024</u>
	<u>\$ 6,119</u>	<u>\$ 6,450</u>

Through the defined benefit plans under the Labor Standards Act, the Group is exposed to the following risks:

- 1) Investment risk: The plan assets are invested in domestic and foreign equity and debt securities, bank deposits, etc. The investment is conducted at the discretion of the Bureau or under the mandated management. However, in accordance with relevant regulations, the return generated by plan assets should not be below the interest rate for a 2-year time deposit with local banks.
- 2) Interest risk: A decrease in the government or corporate bond interest rate will increase the present value of the defined benefit obligation; however, this will be partially offset by an increase in the return on the plan's debt investments.
- 3) Salary risk: The present value of the defined benefit obligation is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the present value of the defined benefit obligation.

The actuarial valuations of the present value of the defined benefit obligation were carried out by qualified actuaries. The significant assumptions used for the purposes of the actuarial valuations were as follows:

	December 31	
	2020	2019
Discount rates	0.50%	0.75%
Expected rates of salary increase	2.00%-3.00%	2.00%-3.00%

If possible reasonable change in each of the significant actuarial assumptions will occur and all other assumptions will remain constant, the present value of the defined benefit obligation would increase (decrease) as follows:

	December 31	
	2020	2019
Discount rates		
0.25% increase	<u>\$ (22,214)</u>	<u>\$ (22,444)</u>
0.25% decrease	<u>\$ 23,096</u>	<u>\$ 23,371</u>
Expected rates of salary increase		
0.25% increase	<u>\$ 22,158</u>	<u>\$ 22,479</u>
0.25% decrease	<u>\$ (21,436)</u>	<u>\$ (21,712)</u>

The sensitivity analysis presented above may not be representative of the actual change in the present value of the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

	<u>December 31</u>	
	<u>2020</u>	<u>2019</u>
The expected contributions to the plan for the next year	<u>\$14,483</u>	<u>\$9,848</u>
The average duration of the defined benefit obligation	9.997-11.76 years	10.19-12.42 years

26. EQUITY

Share Capital

	<u>December 31</u>	
	<u>2020</u>	<u>2019</u>
Number of shares authorized (in thousands)	<u>1,000,000</u>	<u>1,000,000</u>
Share capital authorized	<u>\$ 10,000,000</u>	<u>\$ 10,000,000</u>
Number of shares issued and fully paid (in thousands)	<u>736,847</u>	<u>736,847</u>
Share capital issued	<u>\$ 7,368,465</u>	<u>\$ 7,368,465</u>

As of December 31, 2020, the Company has issued share capital of \$7,368,465, divided into 736,847 thousand ordinary shares at \$10 per share.

The ordinary shares issued, which have par value of \$10, carry one vote and a right to dividends.

Capital Surplus

	<u>December 31</u>	
	<u>2020</u>	<u>2019</u>
<u>May be used to offset a deficit</u>		
Arising from expired stock options	<u>\$ 63,896</u>	<u>\$ 63,896</u>

The capital surplus from shares issued in excess of par (additional arising from expired stock options and arising from the excess of the consideration received over the carrying amount of the subsidiaries' net assets during disposal or acquisition) is used to offset a deficit.

Retained Earnings and Dividend Policy

- a. Under the dividend policy as set forth in the Company's Articles of Incorporation, where the Company made a profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting losses of previous years, setting aside as legal reserve 10% of the remaining profit, setting aside or reversing a special reserve in accordance with the laws and regulations, and then any remaining profit together with any undistributed retained earnings shall be used by the Company's board of directors as the basis for proposing a distribution plan, which should be resolved in the shareholders' meeting for the distribution of dividends and bonuses to shareholders. For the policies on the distribution of compensation of employees and remuneration of directors after the amendment, please refer to Employee benefits expense in Note 28 (Compensation of Employees and Remuneration of Directors).

- b. In addition, according to the revised Articles of Incorporation of the Company, the dividend policy of the Company is to distribute dividends in light of the present and future development plan, taking into consideration the investment environment, fund demands, and domestic competition status, as well as factors of interests of shareholders. However, the amount of proposed earnings distribution of the current year may not be less than 20% of the accumulated distributable earnings. In distributing dividends and bonuses to shareholders, the distribution may be made by shares or cash, of which cash dividends may not be less than 10% of the total amount of dividends.
- c. Appropriation of earnings to the legal reserve shall be made until the legal reserve equals the Company's paid-in capital. The legal reserve may be used to offset deficit. If the Company has no deficit and the legal reserve has exceeded 25% of the Company's paid-in capital, the excess may be transferred to capital or distributed in cash.
- d. The appropriations of earnings for 2019 and 2018, which had been approved in the shareholders' meetings held on May 22, 2020 and May 24, 2019, respectively, were as follows:

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

- e. The appropriations of earnings for 2020 had been proposed by the Company's board of directors on February 25, 2021. The appropriations and dividends per share were as follows:

	<u>Appropriation of Earnings</u>	<u>Dividends Per Share (NT\$)</u>
Legal reserve	\$ 172,251	\$ -
Special reserve	185,379	-
Cash dividends	1,252,639	1.70

The appropriations of earnings for 2020 are subject to the resolution of the shareholders in their meeting to be held on May 21, 2021.

Other Equity Items

- a. Exchange differences on translating the financial statements of foreign operations

Exchange differences relating to the translation of the results and net assets of the Group's foreign operations from their functional currencies to the Group's presentation currency (i.e., New Taiwan dollars) were recognized directly in other comprehensive income and accumulated in the exchange differences on translation of foreign operations. Gains and losses on hedging instruments that were designated as hedging instruments for hedges of net investments in foreign operations were included in the foreign currency translation reserve. Exchange differences previously accumulated in the foreign currency translation reserve were reclassified to profit or loss on the disposal of the foreign operation.

- b. Unrealized gains or losses on financial assets at fair value through other comprehensive income

Unrealized gains or losses on financial assets at fair value through other comprehensive income represents the cumulative gains and losses arising on the revaluation of financial assets at fair value through other comprehensive income, that have been defined to recognize in other comprehensive

income. The accumulated amounts of unrealized gains or losses on financial assets at fair value through other comprehensive income did not reclassified to gains or losses when dispose of investment.

Non-controlling Interests

	For the Year Ended December 31	
	2020	2019
Balance at beginning of year	\$ 111,661	\$ 99,153
Attributed to non-controlling interests:		
Net income	16,881	13,271
Exchange differences on translating the financial statements of foreign operations	(2)	1
Remeasurement of defined benefit plans	(68)	(206)
Related income tax	14	41
Payment of cash dividends to non-controlling interests	(2,793)	-
Acquisition of non-controlling interests in subsidiaries (Note 31)	<u>-</u>	<u>(599)</u>
Balance at end of year	<u>\$ 125,693</u>	<u>\$ 111,661</u>

27. REVENUE

a. Disaggregation of revenue

Refer to Note 42 for information about disaggregation of revenue.

b. Contract balances

The Group's contract liabilities, all of which are derived from the sale of real estate, were recognized under contract liabilities - current; refer to Note 21 for the details. Changes in the contract balance arises from the timing difference when performance obligations are satisfied and when deposits and installment payments are received prior to qualifying for sales revenue recognition, and is transferred to revenue when performance obligations are satisfied.

The Group recognizes revenues when performance obligations are satisfied from providing real estate brokerage services or sales of real estate and recognizes the right to receive the consideration as accounts receivable, refer to Note 9 for the details.

28. NET PROFIT FROM CONTINUING OPERATIONS

Net profit from continuing operations consisted of the following:

Interest Income

	For the Year Ended December 31	
	2020	2019
Interest income		
Cash in bank	\$ 87,047	\$ 68,664
Others	<u>2,510</u>	<u>2,297</u>
	<u>\$ 89,557</u>	<u>\$ 70,961</u>

Other Gains and Losses

	For the Year Ended December 31	
	2020	2019
Impairment loss of investment properties	\$ (3,343)	\$ (18,865)
(Losses) gains on financial assets mandatorily classified as at FVTPL	(253)	66,009
Losses on disposal of property, plant and equipment	(1,134)	(261)
Gains on disposal of investment properties	6,715	7,961
Net foreign exchange (losses) gains	(38,097)	3,514
Share of gains on associates and joint venture	6,790	1,525
Impairment losses of goodwill	(5,452)	(10,513)
Others	<u>58,103</u>	<u>42,273</u>
	<u>\$ 23,329</u>	<u>\$ 91,643</u>

Finance Costs

	For the Year Ended December 31	
	2020	2019
Interest on bank loans	\$ 162,680	\$ 124,506
Interest on unsecured bonds payable	56,920	57,483
Interest on lease liabilities	67,171	71,361
Others	<u>15</u>	<u>17</u>
	286,786	253,367
Deduct: Amounts included in the cost of qualifying asset (inventory-properties under development)	<u>(119,949)</u>	<u>(70,185)</u>
	<u>\$ 166,837</u>	<u>\$ 183,182</u>

Information about capitalized interest was as follows:

	For the Year Ended December 31	
	2020	2019
Interest capitalization rate	1.59%-5.70%	1.59%-5.70%

Depreciation and Amortization

	For the Year Ended December 31	
	2020	2019
Property, plant and equipment	\$ 101,074	\$ 101,959
Investment property	13,625	8,140
Intangible assets	29,347	30,875
Right-of-use assets	<u>564,931</u>	<u>545,943</u>
	<u>\$ 708,977</u>	<u>\$ 686,917</u>

(Continued)

	For the Year Ended December 31	
	2020	2019
An analysis of depreciation by function		
Inventory	\$ 56	\$ 42
Operating costs	583,434	577,322
General and administrative expenses	82,515	70,538
Other losses	<u>13,625</u>	<u>8,140</u>
	<u>\$ 679,630</u>	<u>\$ 656,042</u>
An analysis of amortization by function		
Inventory	\$ 717	\$ 718
Operating costs	1,386	1,162
General and administrative expenses	<u>27,244</u>	<u>28,995</u>
	<u>\$ 29,347</u>	<u>\$ 30,875</u>

(Concluded)

Operating Expenses Directly Related to Investment Properties

	For the Year Ended December 31	
	2020	2019
Direct operating expenses from investment properties		
Generating rental income	\$ 39,215	\$ 23,285
Not generating rental income	<u>161</u>	<u>65</u>
	<u>\$ 39,376</u>	<u>\$ 23,350</u>

Employee Benefits Expense

	For the Year Ended December 31	
	2020	2019
Salary expense	\$ 6,832,885	\$ 5,994,205
Labor and health insurance expense	<u>423,481</u>	<u>390,327</u>
	<u>7,256,366</u>	<u>6,384,532</u>
Post-employment benefits		
Defined contribution plans	219,948	213,767
Defined benefit plans (Note 25)	<u>6,119</u>	<u>6,450</u>
	<u>226,067</u>	<u>220,217</u>
Other employee benefits	<u>206,392</u>	<u>210,304</u>
Total employee benefits expense	<u>\$ 7,688,825</u>	<u>\$ 6,815,053</u>

	For the Year Ended December 31	
	2020	2019
An analysis of employee benefits expense by function		
Inventory	\$ 6,619	\$ 17,149
Operating costs	6,761,683	5,910,521
General and administrative expenses	<u>920,523</u>	<u>887,383</u>
	<u>\$ 7,688,825</u>	<u>\$ 6,815,053</u>

Compensation of Employees and Remuneration of Directors

The Company accrued compensation of employees and remuneration of directors at the rates no less than 1% and no higher than 1%, respectively, of net profit before income tax, compensation of employees, and remuneration of directors. The compensation of employees and remuneration of directors for the years ended December 31, 2020 and 2019, which have been approved by the Group's board of directors on February 25, 2021 and February 27, 2020, respectively, were as follows:

Accrual rate

	<u>For the Year Ended December 31</u>	
	<u>2020</u>	<u>2019</u>
Compensation of employees	1%	1%
Remuneration of directors	0.237%	0.241%

Amount

	<u>For the Year Ended December 31</u>	
	<u>2020</u>	<u>2019</u>
	<u>Cash</u>	<u>Cash</u>
Compensation of employees	\$ 20,275	\$ 16,258
Remuneration of directors	4,800	3,923

If there is a change in the amounts after the annual consolidated financial statements were authorized for issue, the differences are recorded as a change in the accounting estimate.

There is no difference between the actual amounts of compensation of employees 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 compensation of employees and remuneration of directors resolved by the Company's board of directors in 2021 and 2020 is available at the Market Observation Post System website of the Taiwan Stock Exchange.

Impairment Loss Recognized on Non-financial Assets

	<u>For the Year Ended December 31</u>	
	<u>2020</u>	<u>2019</u>
Goodwill (included in other operating income and expenses, net)	\$ 5,452	\$ 10,513
Investment property (included in other operating income and expenses, net)	3,343	18,865
Inventories (included operating cost)	<u>57,263</u>	<u>18,843</u>
	<u>\$ 66,058</u>	<u>\$ 48,221</u>

29. INCOME TAXES RELATING TO CONTINUING OPERATIONS

a. Income tax recognized in profit or loss

The major components of tax expense were as follows:

	For the Year Ended December 31	
	2020	2019
Current tax		
In respect of the current year	\$ 591,412	\$ 732,096
Income tax expense of unappropriated earnings	-	6,614
Land value increment tax	47,348	197,386
In respect of the prior years	(6,663)	983
Deferred tax		
In respect of the current year	<u>(14,741)</u>	<u>(156,598)</u>
Income tax expense recognized in profit or loss	<u>\$ 617,356</u>	<u>\$ 780,481</u>

A reconciliation of accounting profit and income tax expenses is as follows:

	For the Year Ended December 31	
	2020	2019
Profit before tax from continuing operations	<u>\$ 2,186,524</u>	<u>\$ 2,056,686</u>
Income tax expense calculated at the statutory rate	\$ 437,305	\$ 411,337
Nondeductible expenses in determining taxable income	67,907	75,952
Deductible expenses in determining taxable income	(9,043)	(39,241)
Tax-exempt income	(542)	(2,042)
Additional income tax on unappropriated earnings	-	6,614
Land value increment tax	47,348	197,386
Unrecognized deductible temporary differences	44,959	69,949
Loss carryforwards unrecognized in current period	21,379	34,730
Effect of different tax rates of the Group operating in other jurisdictions	14,706	24,813
Adjustments for prior years' tax	<u>(6,663)</u>	<u>983</u>
Income tax expense recognized in profit or loss	<u>\$ 617,356</u>	<u>\$ 780,481</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 benefit recognized in other comprehensive income

	For the Year Ended December 31	
	2020	2019
<u>Deferred tax</u>		
In respect of the current year		
Remeasurement of defined benefit plan	<u>\$ 4,055</u>	<u>\$ 10,658</u>

c. Current tax assets and liabilities

	December 31	
	2020	2019
Current tax assets		
Tax refund receivables	\$ 22,302	\$ 23,501
Current tax liabilities		
Income tax payables	\$ 501,030	\$ 137,842
Land value tax payables	845,460	803,435
	<u>\$ 1,346,490</u>	<u>\$ 941,277</u>

d. Deferred tax assets and liabilities

The movements of deferred tax assets and deferred tax liabilities were as follows:

For the year ended December 31, 2020

	Opening Balance	Recognized in Profit or Loss	Recognized in Other Compre- hensive Income	Exchange Differences	Closing Balance
<u>Deferred tax assets</u>					
Temporary differences					
Allowance for impairment loss	\$ 1,297	\$ (32)	\$ -	\$ -	\$ 1,265
Provisions	11,066	2,183	-	-	13,249
Loss carryforwards	56,159	(621)	-	869	56,407
Defined benefit obligation	1,167	664	307	-	2,138
Right-of-use assets	3,793	(3,793)	-	-	-
Deferred revenue	109,865	(54,098)	-	1,241	57,008
Deferred advertisement	97	40,520	-	-	40,617
Others	29,090	31,994	-	467	61,551
	<u>\$ 212,534</u>	<u>\$ 16,817</u>	<u>\$ 307</u>	<u>\$ 2,577</u>	<u>\$ 232,235</u>

	Opening Balance	Recognized in Profit or Loss	Recognized in Other Compre- hensive Income	Closing Balance
<u>Deferred tax liabilities</u>				
Temporary differences				
Defined benefit obligation	\$ 1,672	\$ 2,076	\$ (3,748)	\$ -

For the year ended December 31, 2019

	Opening Balance	Recognized in Profit or Loss	Recognized in Other Compre- hensive Income	Exchange Differences	Closing Balance
<u>Deferred tax assets</u>					
Temporary differences					
Allowance for impairment loss	\$ 1,265	\$ 32	\$ -	\$ -	\$ 1,297
Provisions	8,804	2,262	-	-	11,066
Loss carryforwards	48,465	8,381	-	(687)	56,159
Defined benefit obligation	501	49	617	-	1,167
Right-of-use assets	-	3,793	-	-	3,793
Deferred revenue	-	114,127	-	(4,262)	109,865
Others	<u>23,628</u>	<u>5,762</u>	<u>-</u>	<u>(203)</u>	<u>29,187</u>
	<u>\$ 82,663</u>	<u>\$ 134,406</u>	<u>\$ 617</u>	<u>\$ (5,152)</u>	<u>\$ 212,534</u>

	Opening Balance	Recognized in Profit or Loss	Recognized in Other Compre- hensive Income	Closing Balance
<u>Deferred tax liabilities</u>				
Temporary differences				
Defined benefit obligation	\$ 9,997	\$ 1,716	\$ (10,041)	\$ 1,672
Other	<u>23,908</u>	<u>(23,908)</u>	<u>-</u>	<u>-</u>
	<u>\$ 33,905</u>	<u>\$ (22,192)</u>	<u>\$ (10,041)</u>	<u>\$ 1,672</u>

- e. Unused loss carryforwards for which no deferred tax assets have been recognized in the consolidated balance sheets

	<u>December 31</u>	
	2020	2019
Loss carryforwards		
Expiry in 2020	\$ -	\$ 54,711
Expiry in 2021	20,349	20,014
Expiry in 2022	150,922	148,439
Expiry in 2023	122,588	119,413
Expiry in 2024	114,402	106,048
Expiry in 2025	163,348	6,486
Expiry in 2026	17,105	17,053
Expiry in 2027	38,469	38,469
Expiry in 2028	47,184	47,184
Expiry in 2029	42,324	48,036
Expiry in 2030	<u>24,230</u>	<u>-</u>
	<u>\$ 740,921</u>	<u>\$ 605,853</u>

f. Information about unused loss carryforwards

Loss carryforwards as of December 31, 2020 comprised:

Unused Amount	Expiry Year
\$ 20,349	2021
155,089	2022
153,335	2023
159,789	2024
239,434	2025
17,105	2026
38,469	2027
132,722	2028
62,313	2029
<u>23,888</u>	2030
 <u>\$ 1,002,493</u>	

g. Income tax assessments

Sinyi Realty Inc., 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, Jin Mei, Lian Yue Traffic, and Sinyi Consulting's tax returns through 2018 had been assessed by the tax authorities.

30. EARNINGS PER SHARE

Unit: NT\$ Per Share

	For the Year Ended December 31	
	2020	2019
Basic EPS	<u>\$ 2.11</u>	<u>\$ 1.71</u>
Diluted EPS	<u>\$ 2.10</u>	<u>\$ 1.71</u>

The earnings and weighted average number of ordinary shares outstanding used in the computation of earnings per share from continuing operations were as follows:

Net Profit for the Year

	For the Year Ended December 31	
	2020	2019
Profit for the year attributable to owners of the Company	<u>\$ 1,552,287</u>	<u>\$ 1,262,934</u>

Weighted average number of ordinary shares outstanding (in thousands of shares):

	For the Year Ended December 31	
	2020	2019
Weighted average number of ordinary shares used in computation of basic earnings per share	736,847	736,847
Effect of dilutive potential ordinary shares		
Bonus issued to employees	<u>784</u>	<u>772</u>
Weighted average number of ordinary shares used in the computation of diluted earnings per share	<u>737,631</u>	<u>737,619</u>

Since the Group is allowed to settle the compensation to employees by cash or shares, the Group presumed that the entire amount of the compensation will be settled in shares and the resulting potential shares are included in the weighted average number of outstanding shares used in the calculation of diluted earnings per share, as the shares have a dilutive effect. The number of shares is estimated by dividing the entire amount of the bonus by the closing price of the shares at the balance sheet date. The dilutive effect of the potential shares is included in the calculation of diluted earnings per share until the shareholders resolve the number of shares to be distributed to employees at their meeting in the following year.

31. BUSINESS COMBINATIONS

a. Acquisition of additional ownership of subsidiaries

In March 2019, the Group acquired an additional 25% of the issued and outstanding shares of Heng-Yi, which increased its shareholding percentage to 100%. Please refer to Note 12 for the details.

	Heng-Yi
Cash consideration paid	\$ (5,000)
The proportionate share of the carrying amount of the net assets of the subsidiary transferred from non-controlling interests	<u>599</u>
Differences recognized from equity transactions	<u>\$ (4,401)</u>
<u>Line items adjusted for equity transactions</u>	
Capital surplus - difference between consideration received or paid and the carrying amount of the subsidiaries' net assets during actual disposal or acquisition	\$ (632)
Retained earnings	<u>(3,769)</u>
	<u>\$ (4,401)</u>

b. Subsidiaries acquired

Subsidiary	Principal Activity	Date of Acquisition	Proportion of Voting Equity Interests Acquired (%)	Consideration Transferred
Lian Yue Traffic Inc.	Manpower dispatch and goods delivery	November 18, 2019	100	<u>\$ 5,500</u>
Jin Mei Travel Service Co., Ltd.	Tourism	November 30, 2020	100	<u>\$ 5,310</u>

The Group acquired Lian Yue Traffic and Jin Mei to pursue the development of business and to integrate the resource of the Group. All transfer consideration were paid by cash.

The Group's acquisition of Lian Yue Traffic had been measured after acquired the official purchase price allocation report during the post measurement period. The Group recognized the excess amount between the purchase price paid and the fair value of net assets acquired as goodwill.

The Group temporarily recorded the acquired assets and liabilities of Jin Mei without purchase price allocation report as of the December 31, 2020 and measured them in the subsequent measurement period after acquiring purchase price allocation report.

1) Assets acquired and liabilities assumed at the date of acquisition

	Lian Yue Traffic	Jin Mei
Current assets		
Cash and cash equivalents	\$ 36	\$ 1,542
Trade and other receivables	-	1,000
Other current assets	12	1,122
Non-current assets		
Refundable deposits	-	350
Current liabilities		
Notes payable	-	(39)
Trade payables	-	(135)
Advance receipts	-	(1,400)
	<u> </u>	<u> </u>
Fair value of net assets acquired	<u>\$ 48</u>	<u>\$ 2,440</u>

2) Goodwill recognized on acquisitions

	Lian Yue Traffic	Jin Mei
Consideration transferred	\$ 5,500	\$ 5,310
Less: Fair value of identifiable net assets acquired	<u>(48)</u>	<u>(2,440)</u>
Goodwill recognized on acquisitions	<u>\$ 5,452</u>	<u>\$ 2,870</u>

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

3) Net cash outflow on the acquisition of subsidiaries

	Lian Yue Traffic	Jin Mei
Consideration paid in cash	\$ (5,500)	\$ (5,310)
Less: Cash and cash equivalent balances acquired	<u>36</u>	<u>1,542</u>
	<u>\$ (5,464)</u>	<u>\$ (3,768)</u>

4) Impact of acquisitions on the results of the Group

The results of the acquirees since the acquisition date included in the consolidated statements of comprehensive income are as follows:

	For the Year Ended December 31	
	2019	2020
	Lian Yue Traffic	Jin Mei
Revenue	<u>\$ 3,586</u>	<u>\$ 110</u>
Net Loss	<u>\$ (114)</u>	<u>\$ (66)</u>

32. CASH FLOW INFORMATION

Changes in Liabilities Arising from Financing Activities

For the year ended December 31, 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	(3,107,381)	-	9,557	-	3,801,288
Guarantee deposits received	35,190	(3,167)	-	-	-	32,023
Lease liabilities	<u>3,283,525</u>	<u>(502,149)</u>	<u>737,768</u>	<u>40,569</u>	<u>(67,171)</u>	<u>3,492,542</u>
	<u>\$ 15,517,827</u>	<u>\$ (3,612,697)</u>	<u>\$ 737,768</u>	<u>\$ 50,126</u>	<u>\$ (67,171)</u>	<u>\$ 12,625,853</u>

For the year ended December 31, 2019

	Opening Balance	Cash Flows	Non-cash Changes		Cash Flow from Operating Activities	Closing Balance
			New Leases	Other		
Short-term borrowings	\$ 748,000	\$ (748,000)	\$ -	\$ -	\$ -	\$ -
Bonds payable (including current portion)	5,900,000	(600,000)	-	-	-	5,300,000
Long-term borrowings (including current portion)	5,379,160	1,578,241	-	(58,289)	-	6,899,112
Guarantee deposits received	43,028	(7,838)	-	-	-	35,190
Lease liabilities	<u>3,368,480</u>	<u>(520,065)</u>	<u>458,963</u>	<u>47,508</u>	<u>(71,361)</u>	<u>3,283,525</u>
	<u>\$ 15,438,668</u>	<u>\$ (297,662)</u>	<u>\$ 458,963</u>	<u>\$ (10,781)</u>	<u>\$ (71,361)</u>	<u>\$ 15,517,827</u>

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 stakeholders through the optimization of the debt and equity balance.

Key management personnel of the Group review the capital structure on a quarterly basis. Based on recommendations of the key management personnel, in order to balance the overall capital structure, the Group may adjust the amount of dividends paid to shareholders, the number of new shares issued or repurchased, and/or the amount of new debt issued or existing debt redeemed.

34. FINANCIAL INSTRUMENTS

Fair Value of Financial Instruments

a. Fair value of financial instruments not measured at fair value

Except as detailed in the following table, management believes the carrying amounts of financial assets and financial liabilities recognized in the financial statements approximate their fair values or their fair values cannot be reliably measured.

December 31, 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	\$ 5,300,000	\$ -	\$ 5,311,879	\$ -	\$ 5,311,879

December 31, 2019

	Carrying Amount	Fair Value Hierarchy			Total
		Level 1	Level 2	Level 3	
<u>Financial liabilities</u>					
Financial liabilities measured at amortized cost - bonds payable	\$ 5,300,000	\$ -	\$ 5,314,254	\$ -	\$ 5,314,254

The fair values of the financial liabilities included in the Level 2 category above have been determined in accordance with market price based on a discounted cash flow analysis, with the most significant observable inputs being the bond duration, interest rates and credit ratings, etc.

b. Fair value financial instruments measured at fair value on a recurring basis

1) Fair value hierarchy

December 31, 2020

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Non-derivative financial assets held for trading				
Domestic listed shares - equity investments	\$ 6,529	\$ -	\$ -	\$ 6,529
Mutual funds	60,278	-	-	60,278
Structured financial products	-	38,718	-	38,718
	\$ 66,807	\$ 38,718	\$ -	\$ 105,525

(Continued)

	Level 1	Level 2	Level 3	Total
Financial assets at FVTOCI				
Domestic listed shares - equity investments	\$ 102,917	\$ -	\$ -	\$ 102,917
Domestic unlisted shares - equity investments	-	-	116,152	116,152
Foreign listed shares - equity investments	529,137	-	-	529,137
Foreign unlisted shares - equity investments	<u>-</u>	<u>-</u>	<u>180,354</u>	<u>180,354</u>
	<u>\$ 632,054</u>	<u>\$ -</u>	<u>\$ 296,506</u>	<u>\$ 928,560</u> (Concluded)

December 31, 2019

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Non-derivative financial assets held for trading				
Domestic listed shares - equity investments	\$ 6,513	\$ -	\$ -	\$ 6,513
Mutual funds	53,467	-	-	53,467
Structured financial products	<u>-</u>	<u>14,653</u>	<u>-</u>	<u>14,653</u>
	<u>\$ 59,980</u>	<u>\$ 14,653</u>	<u>\$ -</u>	<u>\$ 74,633</u>
Financial assets at FVTOCI				
Domestic listed shares - equity investments	\$ 383,088	\$ -	\$ -	\$ 383,088
Domestic unlisted shares - equity investments	-	-	95,532	95,532
Foreign listed shares - equity investments	616,291	-	-	616,291
Foreign unlisted shares - equity investments	<u>-</u>	<u>-</u>	<u>254,426</u>	<u>254,426</u>
	<u>\$ 999,379</u>	<u>\$ -</u>	<u>\$ 349,958</u>	<u>\$ 1,349,337</u>

There were no transfers between Level 1 and Level 2 in the current and prior periods.

2) Reconciliation of Level 3 fair value measurements of financial instruments

For the year December 31, 2020

	Financial Assets at Fair Value Through Other Comprehensive Income Equity Instruments
Balance at January 1, 2020	\$ 349,958
Addition	16,286
Recognized in other comprehensive (loss) income	(72,288)
Effect of exchange rate changes	<u>2,550</u>
Balance at December 31, 2020	<u>\$ 296,506</u>

For the year December 31, 2019

	Financial Assets at Fair Value Through Other Comprehensive Income Equity Instruments
Balance at January 1, 2019	\$ 393,127
Addition	4,500
Recognized in other comprehensive (loss) income	(37,799)
Effect of exchange rate changes	<u>(9,870)</u>
Balance at December 31, 2019	<u>\$ 349,958</u>

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

<u>Financial Instruments</u>	<u>Valuation Techniques and Inputs</u>
Structured financial products	Discounted cash flows: Future cash flows are estimated based on observable interest rate and discounted at a market interest rate.

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

<u>Financial Instruments</u>	<u>Valuation Techniques and Inputs</u>
Foreign unlisted shares	Market comparison method: The value of the evaluation target can be obtained by using the transaction price of the enterprises which are similar to the evaluation target in the active market with consideration of implied value multiplier and liquidity discount.
Domestic unlisted shares	According to the balance sheet of the evaluation target, evaluate the total value of its individual assets and liabilities using market approach consistently with the consideration of liquidity and non-control discounts to reflect the overall value of the target.

For fair value measurements categorized within Level 3 of the fair value hierarchy as derivatives and investments in equity instruments, the lack of quoted prices in an active market categorized the financial assets into Level 3 of which fair values are based on valuations provided by market participants or quoted prices of the counterparty. Quantitative information is not disclosed since the relationship between significant unobservable inputs and the fair value cannot be fully controlled.

Categories of Financial Instruments

	<u>December 31</u>	
	<u>2020</u>	<u>2019</u>
<u>Financial assets</u>		
FVTPL		
Mandatorily classified as at FVTPL	\$ 105,525	\$ 74,633
Financial assets at amortized cost (Note 1)	8,031,402	8,962,836
Financial assets at FVTOCI	928,560	1,349,337
<u>Financial liabilities</u>		
Financial assets at amortized cost (Note 2)	13,447,705	15,884,736

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

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

Financial Risk Management Objectives and Policies

The Group's major financial instruments included equity, mutual funds, trade receivables, other payables, bonds payable, borrowings and lease liabilities. The Group's Corporate Treasury function provides services to the business and manages the financial risks relating to the operations of the Group through internal risk reports which analyze exposures by degree and magnitude of risks. These risks include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk. The Group seeks to ensure sufficient funding readily available when needed with the objective to reduce the potentially adverse effects the market uncertainties may have on its financial performance.

The plans for material treasury activities are reviewed by Audit Committees and/or Board of Directors in accordance with procedures required by relevant regulations or internal controls. During the implementation of such plans, Corporate Treasury function must comply with certain treasury procedures that provide guiding principles for overall financial risk management and segregation of duties. Compliance with policies and exposure limits is reviewed by the internal auditors on a continuous basis.

a. Market risk

The Group's activities exposed it primarily to the financial risks of changes in foreign currency exchange rates (see (1) below) and interest rates (see (2) below).

1) Foreign currency risk

Most of the Group's operating activities are in Taiwan, which is denominated in New Taiwan dollars. Therefore, the operating activities in Taiwan are not exposed to foreign currency risk. The Group took foreign operations as strategic investments and did not hedge the risk.

For the carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period, refer to Note 40.

Foreign currency sensitivity analysis

The following table details the Group's sensitivity to a 1% increase and decrease in the New Taiwan dollar ("NTD", the functional currency) against the relevant foreign currencies. A negative number below indicates an increase in profit before income tax or equity where the NTD strengthens 1% against the relevant currency. For a 1% weakening of the NTD against the relevant currency, the balances below would be negative if the other factors remain unchanged.

	For the Year Ended December 31							
	2020				2019			
	RMB	JPY	USD	MYR	RMB	JPY	USD	MYR
Equity	\$ 35,591	\$ 1,634	\$ 624	\$ 698	\$ 40,854	\$ 2,977	\$ 120	\$ 437
Profit or loss	2,415	94	564	12	21	-	1,454	327

2) Interest rate risk

The Group is exposed to interest rate risk on investments and borrowings; interest rates could be fixed or floating. The investments and part of borrowings are fixed-interest rates and measured at amortized cost, and changes in interest will not affect future cash flows. Another part of borrowings are floating-interest rates, and changes in interest will affect future cash flows, but will not affect fair value.

The carrying amounts of the Group's financial assets and financial liabilities with exposure to interest rates at the end of reporting period were as follows:

	December 31	
	2020	2019
Fair value interest rate risk		
Financial assets	\$ 467,481	\$ 5,292,138
Financial liabilities	11,517,466	13,219,660
Cash flow interest rate risk		
Financial assets	64,218	40,153
Financial liabilities	1,100,000	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 \$10,358 thousand and \$22,598 thousand for the years ended December 31, 2020 and 2019, respectively.

3) Other price risk

The Group was exposed to equity price risk through its investments in mutual funds, domestic quoted shares and foreign quoted shares.

If equity prices had been 1% higher/lower, pre-tax profit for the years ended December 31, 2020 and 2019 would have increased/decreased by \$668 thousand and \$600 thousand, respectively as a result of the changes in fair value of financial assets at FVTPL, and the pre-tax other comprehensive income for the years ended December 31, 2020 and 2019 would have increased/decreased by \$9,286 thousand and \$13,493 thousand, respectively as a result of the changes in fair value of financial assets at FVTOCI.

b. Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group is exposed to credit risk from operating activities, primarily trade receivables, and from investing activities, primarily the fixed-income investments and other financial instruments.

Business related credit risk

The Group is mainly engaged in the operation of real-estate brokerage business and the customers of the Group are the people who buy and sell houses. The revenue of agency service is also received through the housing performance guarantee, so the concentration credit risk of trade receivable is not material.

Financial credit risk

The credit risk of bank deposits, fixed-income investments and other financial instruments are regularly controlled and monitored by the Group's Corporate Treasury function. The counterparties to the foregoing financial instruments are reputable financial institutions and business organizations. Management does not expect the Group's exposure to default by those parties to be material.

c. Liquidity risk

The Group manages liquidity risk by monitoring and maintaining a level of cash and cash equivalents deemed adequate to finance the Group's operations and mitigate the effects of fluctuations in cash flows. In addition, management monitors the utilization of bank borrowings and ensures compliance with loan covenants. The Group has sufficient working capital to pay all debts; thus, there is no liquidity risk.

The Group relies on bank borrowings as a significant source of liquidity. As of December 31, 2020 and 2019, the Group had available unutilized bank loan facilities as follows:

	December 31	
	2020	2019
Unsecured bank overdraft facility, reviewed annually and payable on call:		
Amount used	\$ 970,000	\$ 2,600,000
Amount unused	<u>7,384,000</u>	<u>4,680,000</u>
	<u>\$ 8,354,000</u>	<u>\$ 7,280,000</u>
Secured bank overdraft facility:		
Amount used	\$ 2,831,288	\$ 4,299,112
Amount unused	<u>5,575,000</u>	<u>5,876,888</u>
	<u>\$ 8,406,288</u>	<u>\$ 10,176,000</u>

Liquidity and interest rate risk tables for non-derivative financial liabilities

The following table details the Group's remaining contractual maturities for its non-derivative financial liabilities with agreed upon repayment periods. The table has been drawn up based on the undiscounted cash flows of financial liabilities from the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows. Specifically, bank loans with a repayment on demand clause were included in the earliest time band regardless of the probability of the banks choosing to exercise their rights. The maturity dates for other non-derivative financial liabilities were based on the agreed upon repayment dates.

December 31, 2020

	On Demand or Less than 1 Month	1 Month to 1 Year	1-5 Years	5+ Years
Non-interest bearing	\$ 487	\$ 3,373,799	\$ 948,495	\$ -
Lease liabilities	49,087	539,366	2,023,326	2,550,666
Floating interest rate liabilities	-	-	1,100,000	-
Fixed interest rate liabilities	<u>-</u>	<u>727,210</u>	<u>6,397,714</u>	<u>900,000</u>
	<u>\$ 49,574</u>	<u>\$ 4,640,375</u>	<u>\$ 10,469,535</u>	<u>\$ 3,450,666</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>\$ 49,087</u>	<u>\$ 539,366</u>	<u>\$ 2,023,326</u>	<u>\$ 1,132,402</u>	<u>\$ 1,418,264</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>

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 their Relationships with the Group

<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.	Corporate shareholder (direct investment using the equity method)
Sinyi Co., Ltd.	Corporate shareholder (direct investment using the equity method)
Yu-Heng Co., Ltd.	Corporate shareholder (indirect investment using the equity method)
Chou Wang Mei-Wen	Vice Chairman of the Company
Beijing Sinyi Guaranty Co. Ltd.	Related party in substance
Global Real Estate Appraisal Office	Related party in substance
Ken Investment Co., Ltd.	Related party in substance
Sin-Heng Limited.	Related party in substance
Sinyi Public Welfare Foundation	Related party in substance
Sinyi Real Estate Appraisal Office	Related party in substance
Sinyi Interior Design Co., Ltd.	Associate
Prospect Hospitality Co., Ltd.	The Company's director is its director
Shanghai Shing Sheng Engineering Management Office	Related party in substance

Operating Revenue

	<u>For the Year Ended December 31</u>	
	2020	2019
Service revenue		
The Company's director is its director	\$ <u>3,893</u>	\$ <u>7,589</u>

Trade Receivables - Related Parties

	<u>December 31</u>	
	2020	2019
The Company's director is its director	\$ <u>261</u>	\$ <u>426</u>

Other Payables to Related Parties

	<u>December 31</u>	
	2020	2019
Other related parties - related parties in substance	\$ <u>32,966</u>	\$ <u>45,788</u>

Parts of other payables to related parties were financing. Information on the financing for the years ended December 31, 2020 and 2019 were as follows:

	<u>For the Year Ended December 31, 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>23,636</u>	-	\$ <u>-</u>	\$ <u>7,772</u>

	<u>For the Year Ended December 31, 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>37,023</u>	-	\$ <u>-</u>	\$ <u>7,429</u>

The financing above were unsecured.

Remuneration of Key Management Personnel

	<u>For the Year Ended December 31</u>	
	2020	2019
Short-term employee benefits	\$ 146,221	\$ 133,805
Other long-term employee benefits	<u>13,163</u>	<u>12,127</u>
	<u>\$ 159,384</u>	<u>\$ 145,932</u>

Other long-term employee benefits included a long-term incentive plan approved by the Company's board of directors to encourage senior management to contribute further to the sustainable growth of the Company. Senior managers will be entitled to such incentive when they continue to serve for three years starting from the following year after obtaining the qualification and the bonus is calculated on the basis of the Company's operating performance or individual performance.

Other Transactions with Related Parties

a. Rental income

	<u>For the Year Ended December 31</u>	
	2020	2019
Other related parties		
Related parties in substance	\$ 7,412	\$ 7,388
Corporate shareholder (direct investment using the equity method)	114	114
Corporate shareholder (indirect investment using the equity method)	57	57
Associates	<u>34</u>	<u>34</u>
	<u>\$ 7,617</u>	<u>\$ 7,593</u>

The rental rates are based on the prevailing rates in the surrounding area. The Group collects rentals from related parties on a monthly basis.

b. Other benefits

	<u>For the Year Ended December 31</u>	
	2020	2019
Other related parties		
Related parties in substance	<u>\$ 956</u>	<u>\$ 1,012</u>

Other benefits are mainly derived from management consulting services provided to the related parties and other income.

c. Professional fees

	<u>For the Year Ended December 31</u>	
	2020	2019
Other related parties		
Related parties in substance	<u>\$ 66,903</u>	<u>\$ 10,719</u>

Professional fees are mainly payment for services related to consultation and evaluation of engineering management, real estate registration, cadaster access service and management consulting, etc.

d. Lease agreements

	<u>For the Year Ended December 31</u>	
	2020	2019
Lease liabilities - related parties in substance	<u>\$ 8,372</u>	<u>\$ 25,659</u>

	<u>December 31</u>	
	<u>2020</u>	<u>2019</u>
<u>Interest expense</u>		
Related parties in substance	\$ <u>183</u>	\$ <u>392</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

	<u>December 31</u>	
	<u>2020</u>	<u>2019</u>
Other related parties		
Related parties in substance	\$ <u>1,290</u>	\$ <u>1,285</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:

	<u>December 31</u>	
	<u>2020</u>	<u>2019</u>
Property, plant and equipment (including investment properties)		
Land	\$ 4,191,664	\$ 4,191,664
Building	400,546	416,351
Other financial assets - current		
Pledged time deposits and demand deposits	7,189	7,153
Restricted bank deposits	-	110,326
Inventories	<u>10,918,490</u>	<u>9,500,034</u>
	<u>\$ 15,517,889</u>	<u>\$ 14,225,528</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 Hong Kong Sinyi Estate and Kunshan Dingxian Trading in obtaining financing limit of \$968,320 thousand and \$18,567 thousand, respectively. Refer to Note 41, Table 2 for the details.

- d. As of December 31, 2020, the Group had signed construction contracts but not yet paid for \$1,118,561 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 its customers (including natural persons and juridical persons); the guarantee amounted to \$92,180 thousand as of December 31, 2020. The amount of mortgage loan was remitted to Shanghai Real Estate and Jiu Xin Estate for payment of the property sold according to local practice. 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 is not exposed to risk of material loss from the guarantee. The guarantee is just a selling feature in the real estate development industry in China and it does not bear the economic substance and risk of ordinary endorsement. In addition, according to the Q&A No. 35 of the “Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies” (the Regulations) announced on December 26, 2012 by the SFB, the above guarantee provided by Shanghai Real Estate and Jiu Xin Estate to its customers is similar to an escrow, instead of endorsement as defined in the Regulations.

38. SIGNIFICANT FRANCHISE CONTRACTS

Sinyi Limited entered into a sub-franchise agreement with Cendant Global Services B.V. (“GLOBAL”) and Coldwell Banker Real Estate Corporation (“Coldwell”). Sinyi Limited obtained from the counterparty a license granting the right to use the plans, manuals, system and forms developed by Coldwell and the exclusive right to itself sublicense and/or to sub-sublicense other franchisees and territorial sub-franchisors in China, Hong Kong and Macau. The term of this contract is for forty years from October 12, 1999 and is automatically renewed for another period of forty years to October 11, 2079 unless the contract parties agree to terminate the contract in three months prior to the expiration of the contract. Thereafter, because Sinyi Limited transferred this agreement right to Ke Wei Shanghai on August 1, 1990 and GLOBAL was renamed to Realogy Corporation (“Realogy”) due to its organizational adjustment, Ke Wei Shanghai and Realogy entered into a supplemental sub-franchise agreement for reflecting the necessary amendments in 2008.

39. OTHER ITEMS

The Group assessed the impact of the COVID-19 pandemic and concluded that other than the real estate brokerage segment, real estate agency sales segment and real estate development segment in Taiwan which have not been significantly affected, some overseas businesses were slightly affected by the border controls imposed due to the pandemic. However, the overall business and financial aspects have not been severely affected. Currently, the Group is promoting a cost saving project, and is continuously assessing the potential impact of going concern, asset impairment and financing risks.

40. EXCHANGE RATE OF FINANCIAL ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The Group's significant financial assets and liabilities denominated in foreign currencies were as follows:

December 31, 2020

	Foreign Currency (In Thousands)	Exchange Rate	New Taiwan Dollars (In Thousands)
<u>Financial assets</u>			
Monetary items			
RMB	\$ 1,143,657	4.377	\$ 5,005,789
JPY	1,555,578	0.2763	429,806
USD	4,022	28.480	114,548
MYR	10,270	7.080	72,710
Non-monetary items			
RMB	67,209	4.377	294,174
JPY	1,824,380	0.2763	504,076
<u>Financial liabilities</u>			
Monetary items			
RMB	275,345	4.377	1,205,186
JPY	929,964	0.2763	256,949

December 31, 2019

	Foreign Currency (In Thousands)	Exchange Rate	New Taiwan Dollars (In Thousands)
<u>Financial assets</u>			
Monetary items			
RMB	\$ 1,429,607	4.305	\$ 6,154,458
JPY	2,281,500	0.276	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	0.276	590,124
<u>Financial liabilities</u>			
Monetary items			
RMB	480,121	4.305	2,066,920
JPY	1,202,752	0.276	331,960

The Group is mainly exposed to foreign currency risk from USD, RMB, JPY and MYR. The following information was aggregated by the functional currencies of the Group and the exchange rates between respective functional currencies and the presentation currency were disclosed. The realized and unrealized foreign exchange (losses) gains were as follows:

Functional Currency	For the Year Ended December 31			
	2020		2019	
	Exchange Rate	Net Foreign Exchange (Loss) Gain	Exchange Rate	Net Foreign Exchange (Loss) Gain
NTD	1 (NTD:NTD)	\$ (37,890)	1 (NTD:NTD)	\$ 4,024
USD	29.549 (USD:NTD)	(64)	30.912 (USD:NTD)	367
RMB	4.282 (RMB:NTD)	-	4.472 (RMB:NTD)	(37)
JPY	0.2769 (JPY:NTD)	(54)	0.2837 (JPY:NTD)	22
MYR	7.034 (MYR:NTD)	(75)	7.455 (MYR:NTD)	(256)
HKD	3.809 (HKD:NTD)	(14)	3.945 (HKD:NTD)	(606)
		<u>\$ (38,097)</u>		<u>\$ 3,514</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 investments in subsidiaries, associates and jointly controlled entities): Table 3 (see the attached)
- d. Marketable securities acquired or disposed of at costs or prices of at least NT\$300 million or 20% of the paid-in capital: Table 4 (see the attached)
- e. Acquisition of individual real estate at costs of at least NT\$300 million or 20% of the paid-in capital: Table 5 (see the attached)
- f. Disposal of individual real estate at prices of at least NT\$300 million or 20% of the paid-in capital: None
- g. Total purchases from or sales to related parties of at least NT\$100 million or 20% of the paid-in capital: None
- h. Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital: Table 6 (see the attached)
- i. Information about derivative instruments: None
- j. Others: The business relationship between the parent and the subsidiaries and between each subsidiary, and significant transactions between them: Table 7 (see the attached)
- k. Information on investees: Table 8 (see the attached)

Information on investments in mainland China:

- a. Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, shareholding ratio, investment gain or loss, carrying amount of the investment at the end of the period, repatriated investment gains, and limit on the amount of investment in the mainland China area: Table 9 (see the attached)
- b. Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses:
 - 1) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period: None
 - 2) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period: None
 - 3) The amount of property transactions and the amount of the resultant gains or losses: None
 - 4) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes: Table 2 (see the attached)
 - 5) The highest balance, the end of period balance, the interest rate range, and total current period interest with respect to financing of funds: Table 1 (see the attached)
 - 6) Other transactions that have a material effect on the profit or loss for the year or on the financial position, such as the rendering or receiving of services: None

Information on major shareholders:

The name of major shareholders, number of shares, percentage of ownership about the ownership of 5% or greater (Table 10)

42. SEGMENT INFORMATION

a. Operating segments information

The Group is in the operation of local and international real-estate brokerage business, real-estate agency sale business and real-estate developing business. The Group provides information to the chief operating decision maker for the purpose of resources allocation and assessment of segment performance. The information gives emphasis on related laws on real-estate transactions in different countries that may affect the adoption of different marketing strategies.

Management has determined reportable segments as follows:

Real estate brokerage segment

- 1) Companies in Taiwan.
- 2) Companies in mainland China and other foreign companies.

Real estate development segment

- 1) Companies in Taiwan.
- 2) Companies in mainland China and other foreign companies.

The following table was an analysis of the Group's revenue, result of operations and assets of segments for the years ended December 31, 2020 and 2019:

	<u>Real Estate Brokerage</u>			<u>Real Estate Lease Construction and Development</u>			Elimination	Consolidated
	Taiwan	Mainland China and Others	Total	Taiwan	Mainland China and Others	Total		
For the year ended <u>December 31, 2020</u>								
Revenues from external customers	\$ 11,458,701	\$ 574,468	\$ 12,033,169	\$ 286,677	\$ 835,774	\$ 1,122,451	\$ -	\$ 13,155,620
Inter-segment revenues	<u>283,088</u>	<u>46,195</u>	<u>329,283</u>	<u>348</u>	<u>74,024</u>	<u>74,372</u>	<u>(403,655)</u>	<u>-</u>
Segment revenues	<u>\$ 11,741,789</u>	<u>\$ 620,663</u>	<u>\$ 12,362,452</u>	<u>\$ 287,025</u>	<u>\$ 909,798</u>	<u>\$ 1,196,823</u>	<u>\$ (403,655)</u>	<u>\$ 13,155,620</u>
Rental income from investment property								<u>(94,179)</u>
Consolidated revenues								<u>\$ 13,061,441</u>
Operating profit (loss)	<u>\$ 2,322,623</u>	<u>\$ (354,900)</u>	<u>\$ 1,967,723</u>	<u>\$ (105,545)</u>	<u>\$ 162,902</u>	<u>\$ 57,357</u>	<u>\$ 141,247</u>	<u>\$ 2,166,327</u>
Operating income from investment property								<u>(54,802)</u>
Operating income								<u>\$ 2,111,524</u>
Segment assets	<u>\$ 9,022,249</u>	<u>\$ 4,462,131</u>	<u>\$ 13,484,380</u>	<u>\$ 5,683,066</u>	<u>\$ 16,421,222</u>	<u>\$ 22,104,288</u>	<u>\$ (3,765,253)</u>	<u>\$ 31,823,415</u>
Investments accounted for by the equity method and goodwill								<u>38,057</u>
Total assets								<u>\$ 31,861,472</u>
For the year ended <u>December 31, 2019</u>								
Revenues from external customers	\$ 9,860,389	\$ 922,372	\$ 10,782,761	\$ 183,828	\$ 1,554,300	\$ 1,738,128	\$ -	\$ 12,520,889
Inter-segment revenues	<u>171,021</u>	<u>49,083</u>	<u>220,104</u>	<u>4,525</u>	<u>167,874</u>	<u>172,399</u>	<u>(392,503)</u>	<u>-</u>
Segment revenues	<u>\$ 10,031,410</u>	<u>\$ 971,455</u>	<u>\$ 11,002,865</u>	<u>\$ 188,353</u>	<u>\$ 1,722,174</u>	<u>\$ 1,910,527</u>	<u>\$ (392,503)</u>	<u>\$ 12,520,889</u>
Rental income from investment property								<u>(82,857)</u>
Consolidated revenues								<u>\$ 12,438,032</u>
Operating profit (loss)	<u>\$ 1,732,828</u>	<u>\$ (230,611)</u>	<u>\$ 1,502,217</u>	<u>\$ (95,942)</u>	<u>\$ 479,337</u>	<u>\$ 383,395</u>	<u>\$ 145,453</u>	<u>\$ 2,031,065</u>
Operating income from investment property								<u>(59,507)</u>
Operating income								<u>\$ 1,971,558</u>
Segment assets	<u>\$ 8,292,211</u>	<u>\$ 4,097,562</u>	<u>\$ 12,389,773</u>	<u>\$ 5,675,119</u>	<u>\$ 14,628,037</u>	<u>\$ 20,303,156</u>	<u>\$ (1,054,046)</u>	<u>\$ 31,638,883</u>
Investments accounted for by the equity method and goodwill								<u>31,900</u>
Total assets								<u>\$ 31,670,783</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. Product and labor service information

The Group's primarily business are real estate brokerage business, agency sale business, and developing business. The related information are as following:

	<u>December 31</u>	
	<u>2020</u>	<u>2019</u>
Real estate brokerage revenue	\$ 10,702,299	\$ 9,663,069
Sales of real estate agency	1,330,870	1,086,562
Developing business revenue	<u>1,028,272</u>	<u>1,688,401</u>
	<u>\$ 13,061,441</u>	<u>\$ 12,438,032</u>

c. Location information

Operating segments information had disclosed location information; therefore, no location information is required to be disclosed.

d. Major customers

No single customer accounts for at least 10% of the Group's revenue; therefore, no customer information is required to be disclosed.

SINYI REALTY INC. AND SUBSIDIARIES

FINANCING PROVIDED
FOR THE YEAR ENDED DECEMBER 31, 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	\$ -	Working capital	\$ -	-	\$ -	\$ 3,458,787 (Note 1)	\$ 4,611,716 (Note 1)	\$ -
1	Sinyi Real Estate (Shanghai) Limited	Jiu Xin Estate (Wuxi) Limited	Other receivables	Yes	1,824,728 (RMB 422,000 thousand)	831,630 (RMB 190,000 thousand)	831,630 (RMB 190,000 thousand)	4.75%	Short-term financing (Note 10)	-	Working capital	-	-	-	5,158,241 (Note 2)	7,737,361 (Note 2)	20,258
		Lunheng Business Management (Shanghai) Ltd.	Other receivables	Yes	65,685 (RMB 15,000 thousand)	65,655 (RMB 15,000 thousand)	65,655 (RMB 15,000 thousand)	4.75%	Short-term financing (Note 10)	-	Working capital	-	-	-	5,158,241 (Note 2)	7,737,361 (Note 2)	3,051
		Shanghai Sinyi Real Estate Inc.	Other receivables	Yes	87,580 (RMB 20,000 thousand)	87,540 (RMB 20,000 thousand)	87,540 (RMB 20,000 thousand)	4.75%	Short-term financing (Note 10)	-	Working capital	-	-	-	5,158,241 (Note 2)	7,737,361 (Note 2)	2,531
2	Hua Yun Renovation (Shanghai) Co., Ltd.	Lunheng Business Management (Shanghai) Ltd.	Other receivables	Yes	33,280 (RMB 7,600 thousand)	33,265 (RMB 7,600 thousand)	33,265 (RMB 7,600 thousand)	4.75%	Short-term financing (Note 10)	-	Working capital	-	-	-	7,772,600 (Note 3)	11,658,900 (Note 3)	1,458
		Suzhou Sinyi Real Estate Inc.	Other receivables	Yes	432,400 (RMB 100,000 thousand)	-	-	4.75%	Short-term financing (Note 10)	-	Working capital	-	-	-	7,772,600 (Note 3)	11,658,900 (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 (Note 10)	-	Working capital	-	-	-	392,259 (Note 4)	653,765 (Note 4)	-
4	Kunshan Dingxian Trading Co., Ltd.	SinYeh Enterprise Management (Shanghai) Ltd.	Other receivables	Yes	432,400 (RMB 100,000 thousand)	-	-	4.75%	Short-term financing (Note 10)	-	Working capital	-	-	-	1,644,910 (Note 5)	2,467,365 (Note 5)	-
5	SinYeh Enterprise Management (Shanghai) Ltd.	Sinyi Realty Inc.	Other receivables	Yes	437,900 (RMB 100,000 thousand)	437,700 (RMB 100,000 thousand)	437,700 (RMB 100,000 thousand)	4.75%	Short-term financing	-	Working capital	-	-	-	1,780,646 (Note 6)	2,670,969 (Note 6)	13,874
6	Shanghai Sinyi Real Estate Inc.	Zhejiang Sinyi Real Estate Co., Ltd.	Other receivables	Yes	6,569 (RMB 1,500 thousand)	6,566 (RMB 1,500 thousand)	6,566 (RMB 1,500 thousand)	4.75%	Short-term financing (Note 10)	-	Working capital	-	-	-	719,683 (Note 7)	1,439,367 (Note 7)	51
		Suzhou Sinyi Real Estate Inc.	Other receivables	Yes	131,370 (RMB 30,000 thousand)	131,310 (RMB 30,000 thousand)	131,310 (RMB 30,000 thousand)	4.75%	Short-term financing (Note 10)	-	Working capital	-	-	-	719,683 (Note 7)	1,439,367 (Note 7)	4,118
		Chuzhou Ya Zhan Functional Agricultural Science and Technology Co., Ltd.	Other receivables	No	25,617 (RMB 5,850 thousand)	25,605 (RMB 5,850 thousand)	25,605 (RMB 5,850 thousand)	6.00%	Short-term financing	-	Working capital	-	-	-	47,978 (Note 8)	239,894 (Note 8)	964
		Ke Wei Shanghai Real Estate Management Consulting Inc.	Other receivables	Yes	4,379 (RMB 1,000 thousand)	4,377 (RMB 1,000 thousand)	4,377 (RMB 1,000 thousand)	4.75%	Short-term financing	-	Working capital	-	-	-	191,915 (Note 9)	239,894 (Note 9)	120
7	Lunheng Business Management (Shanghai) Ltd.	Sinyi Realty Inc.	Other receivables	Yes	394,110 (RMB 90,000 thousand)	393,930 (RMB 90,000 thousand)	393,930 (RMB 90,000 thousand)	4.35%	Short-term financing	-	Working capital	-	-	-	33,843,575 (Note 11)	67,687,150 (Note 11)	4,317
		Jiu Xin Estate (Wuxi) Limited	Other receivables	Yes	919,590 (RMB 210,000 thousand)	919,170 (RMB 210,000 thousand)	919,170 (RMB 210,000 thousand)	4.75%	Short-term financing (Note 10)	-	Working capital	-	-	-	33,843,575 (Note 11)	67,687,150 (Note 11)	10,677
8	Sinyi Realty Inc. Japan	Sinyi Realty Inc.	Other receivables	Yes	69,225 (JPY 250,000 thousand)	69,075 (JPY 250,000 thousand)	69,075 (JPY 250,000 thousand)	2.00%	Short-term financing	-	Working capital	-	-	-	291,513 (Note 12)	437,269 (Note 12)	254

(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			
9	Sinyi Management Co., Ltd.	Sinyi Realty Inc.	Other receivables	Yes	\$ 41,535 (JPY 150,000 thousand)	\$ 41,445 (JPY 150,000 thousand)	\$ 41,445 (JPY 150,000 thousand)	2.00%	Short-term financing	\$ -	Working capital	\$ -	-	\$ -	\$ 55,750 (Note 13)	\$ 83,625 (Note 13)	\$ 152
10	Sinyi Global Asset Management Co., Ltd.	Sinyi Realty Inc.	Other receivables	Yes	100,000 (NT\$ 100,000 thousand)	100,000 (NT\$ 100,000 thousand)	100,000 (NT\$ 100,000 thousand)	0.98%	Short-term financing	-	Working capital	-	-	-	379,659 (Note 14)	632,765 (Note 14)	209

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 10% 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% 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.

(Concluded)

SINYI REALTY INC. AND SUBSIDIARIES

ENDORSEMENT/GUARANTEE PROVIDED TO OTHERS
FOR THE YEAR ENDED DECEMBER 31, 2020
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No.	Endorser/Guarantor	Guaranteed Party		Limits on Endorsement/ Guarantee Amount Provided to Each Guaranteed Party	Maximum Balance for the Year	Ending Balance	Actual Appropriation	Amount of Endorsement/ Guarantee Collateralized by Properties	Ratio of Accumulated Endorsement/ Guarantee to Net Equity Per Financial Statement (%)	Maximum Total Endorsement/ Guarantee Allowed to Be Provided by the Endorser/ Guarantor	Guarantee Given by Parent on Behalf of Subsidiaries	Guarantee Given by Subsidiaries on Behalf of the Company	Guarantee Given on Behalf of Companies in Mainland China	Note
		Name	Nature of Relationship											
0	Sinyi Realty Inc.	Sinyi Real Estate (Hong Kong) Limited	Indirectly 100% owned subsidiary	\$ 9,223,432 (Note 1)	\$ 1,179,750 (US\$ 39,000 thousand)	\$ 968,320 (US\$ 34,000 thousand)	\$ -	\$ -	8.39	\$ 17,293,936 (Note 1)	Yes	No	No	
1	Jiu Xin Estate (Wuxi) Limited	Kunshan Dingxian Trading Co., Ltd.	Business dealings	4,578,349 (Note 2)	18,576 (RMB 4,242 thousand)	18,576 (RMB 4,242 thousand)	18,567 (RMB 4,242 thousand)	-	0.32	5,722,937 (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 (EXCLUDING INVESTMENTS IN SUBSIDIARIES, ASSOCIATES AND JOINTLY CONTROLLED ENTITIES)

DECEMBER 31, 2020

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

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 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	\$ 102,917	-	\$ 102,917	
	<u>Unlisted shares</u> Han Yu Venture Capital Co., Ltd.	-	Financial assets at fair value through other comprehensive income - non-current	5,000,000	38,571	11.0	38,571	
	NOWnews Network Co., Ltd.	-	Financial assets at fair value through other comprehensive income - non-current	3,721,394	67,581	10.0	67,581	
	PChome Investment Co., Ltd.	-	Financial assets at fair value through other comprehensive income - non-current	196,350	-	8.0	-	
	Kun Gee Venture Capital Co., Ltd.	-	Financial assets at fair value through other comprehensive income - non-current	160,650	-	3.0	-	
	Cité Publishing Holding Ltd.	-	Financial assets at fair value through other comprehensive income - non-current	7,637	-	1.0	-	
	Cité Information Services Co., Ltd.	-	Financial assets at fair value through other comprehensive income - non-current	106,392	-	1.0	-	
	B Current Impact Investment Fund 3	-	Financial assets at fair value through other comprehensive income - non-current	1,000,000	10,000	10.0	10,000	
Sinyi Limited	<u>Listed shares</u> Orix Corp.	-	Financial assets at fair value through other comprehensive income - current	1,150,800	540,076	-	504,076	
	<u>Money market fund</u> Western Asset US Dollar Fund A	-	Financial assets at fair value through profit or loss - current	25	1	-	1	
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	25,061	4.7	25,061	
	<u>Unlisted shares</u> Cura Investment Management (Shanghai) Co., Ltd.	-	Financial assets at fair value through other comprehensive income - non-current	34,500,000	179,698	2.0	179,698	
	Taicang Yalong Management Consulting Co., Ltd.	-	Financial assets at fair value through other comprehensive income - non-current	-	656	15.0	656	

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2020				Note
				Shares/Units	Carrying Value	Percentage of Ownership (%)	Market Value or Net Asset Value	
Sinyi Development Inc.	Listed shares CTCI Corporation	-	Financial assets at fair value through profit or loss - current	170,940	\$ 6,529	-	\$ 6,529	
An-Sin Real Estate Management Ltd.	Money market fund Taishin 1699 Money Market Fund	-	Financial assets at fair value through profit or loss - current	4,417,194	60,277	-	60,277	
Beijing Sinyi Real Estate Ltd.	Financial product Bank of China Steady Growth -Daily Plan	-	Financial assets at fair value through profit or loss - current	200,000	981	-	981	
	Cash Tianli (Corporation)		Financial assets at fair value through profit or loss - current	100,000	438	-	438	
	Jiu Ri Ying		Financial assets at fair value through profit or loss - current	1,500,000	6,566	-	6,566	
Suzhou Sinyi Real Estate Inc.	ICBC financial product "Suixin E" 2017 no.3		Financial assets at fair value through profit or loss - current	7,000,000	30,733	-	30,733	

(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
 DECEMBER 31, 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 the equity method	-	Subsidiary	163,537,766	\$ 1,234,908 (Note)	80,000,000	\$ 560,664	-	\$ -	\$ -	\$ -	243,537,766	\$ 1,795,572 (Note)
Sinyi Real Estate (Shanghai) Limited	Shares Lunheng Business Management (Shanghai) Ltd.	Investments accounted for using the equity method	-	Subsidiary	-	-	-	1,286,400	-	-	-	-	-	1,286,400 (Note)

Note: 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
FOR THE YEAR ENDED DECEMBER 31, 2020**

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

Buyer	Property	Event Date	Transaction Amount	Amount Payment	Counterparty	Relationship	The Former Transfer Information If the Counterparty Is A Related Party				Price Reference	Purpose of Acquisition	Other Terms
							Owner	The Relationship with the Company	Date of Transfer	Amount			
SIN CHIUN HOLDING SDN. BHD.	Right-of-use asset of land at Pulau Mengalum, Sabah, in Malaysia.	December 30, 2019	\$ 520,180 (MYR 78,500 thousand) (Note)	The price has been paid in full	Mengalum Tours & Dive Resort Sdn. Bhd.	-	-	-	-	\$ -	According to the appraisal report, the amount of MYR84,100 thousand.	Development of real estate for tourism.	-

Note: The Company negotiated with the seller to adjust the total amount of right-of-use asset of land from MYR82,500 thousand to MYR78,500 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

DECEMBER 31, 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	\$ 162,389	-	\$ -	-	\$ 162,389	\$ -

Note: For the balances of other receivables that arose from financing between related parties and the counterparties of the financing transactions, please refer to Table 1; calculation of turnover rate is not applicable.

SINYI REALTY INC. AND SUBSIDIARIES

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT TRANSACTIONS
FOR THE YEAR ENDED DECEMBER 31, 2020
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No.	Company Name	Counterparty	Flow of Transactions	Transaction Details			
				Financial Statement Account	Amount	Payment Terms	Percentage to Consolidated Total Assets/Revenue (%)
0	Sinyi Realty Inc.	An-Sin Real Estate Management Ltd. Sinyi Real Estate Consulting Ltd.	a	Trade receivables	\$ 162,389	Regular settlement -	1
			a	Service costs	137,868		1
1	Sinyi Global Asset Management Co., Ltd.	Sinyi Realty Inc.	b	Other receivables	100,000	For working capital, rate at 0.98%	-
2	Sinyi Real Estate (Shanghai) Limited	Jiu Xin Estate (WuXi) Limited Shanghai Sinyi Real Estate Inc.	c	Other receivables	831,630	For working capital, rate at 4.75%	3
			c	Other receivables	87,540	For working capital, rate at 4.75%	-
3	Jiu Xin Estate (WuXi) Limited	Lunheng Business Management (Shanghai) Ltd.	c	Long-term borrowings	919,170	For working capital, rate at 4.75%	3
4	SinYeh Enterprise Management (Shanghai) Ltd.	Sinyi Realty Inc.	b	Other receivables	437,700	For working capital, rate at 4.75%	1
5	Lunheng Business Management (Shanghai) Ltd.	Sinyi Realty Inc.	b	Other receivables	393,930	For working capital, rate at 4.35%	1
6	Suzhou Sinyi Real Estate Inc.	Shanghai Sinyi Real Estate Inc.	c	Long-term borrowings	131,310	For working capital, rate at 4.75%	-
7	Kunshan Dingxian Trading Co., Ltd.	Jiu Xin Estate (WuXi) Limited	c	Contract liabilities	269,162	-	1

Note 1: Parties to the intercompany transactions are identified and numbered (in first column) as follows:

- "0" for Sinyi Realty Inc.
- Subsidiaries are numbered from "1".

Note 2: Flows of transactions are categorized as follows:

- From a parent company to its subsidiary.
- From a subsidiary to its parent company.
- Between subsidiaries.

Note 3: Percentage to consolidated total assets is calculated by dividing the amount of a particular asset or liability account by the consolidated total of assets as of December 31, 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 year ended December 31, 2020.

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

SINYI REALTY INC. AND SUBSIDIARIES

INFORMATION ON INVESTEEES
FOR THE YEAR ENDED DECEMBER 31, 2020
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investor Company	Investee Company	Location	Main Businesses and Products	Investment Amount		Balance as of December 31, 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	\$ 11,507,112	\$ 72,249	\$ 72,249	
	Sinyi Limited (B.V.I.)	4 th 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	1,060,911	(165,820)	(165,820)	
	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	1,663,080	(137,538)	(137,538)	
	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	126,553	55,718	55,718	
	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	1,200,000	80	8,418	(1,236)	(989)	
	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	849	(219)	(219)	
	Sinyi Culture Publishing Inc.	No. 100, Sinyi Rd., Sec. 5, Sinyi District, Taipei City, Taiwan	Publication	4,960	4,960	-	99	2,227	22	22	
	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	130,882	34,595	17,644	
	Sinyi Interior Design Co., Ltd.	No. 100, Sinyi Rd., Sec. 5, Sinyi District, Taipei City, Taiwan	Interior design	950	950	95,000	19	15,642	2,643	502	
	Yowoo Technology Inc.	No. 100, Sinyi Rd., Sec. 5, Sinyi District, Taipei City, Taiwan	Information software, data processing and electronic information providing service	223,000	193,000	2,500,000	100	20,193	(36,669)	(36,669)	
	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	22,415	27,938	6,289	
	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	1,634,525	(45,230)	(45,230)	
	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	5,033	2,559	2,559	
	SINJU HOLDING SDN. BHD.	Unit 20-1, Level 20, Menara Prestige, No.1, Jalan Pinang, 50450 Kuala Lumpur W.P. Kuala Lumpur, Malaysian	Investment holding	15,129	-	2,050,000	100	11,131	(3,361)	(3,361)	
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	9,503	(4,915)	(4,915)		
JIN MEI TRAVEL SERVICE CO., LTD.	9F.-2, No.50, Linsen N. Rd., Zhongshan Dist., Taipei City, Taiwan	Tourism	8,310	-	-	100	8,244	(66)	(66)		
Sinyi International Limited (Samoa)	Forever Success International Limited (Mauritius)	3 rd Floor, Standard Chartered Tower, 19 Cybercity, Ebene, Mauritius.	Investment holding	68,741	68,741	2,216,239	100	122,849	(63,608)	(63,608)	
	Sinyi Realty Inc. Japan	2 nd Floor, Shoritsu Building 2-7-1 Yoyogi Shibuya-ku, Tokyo, Japan	Real estate brokerage, management and identification	58,064	58,064	16,000	100	291,513	(19,835)	(19,835)	
	Sinyi Development Ltd.	TMF Chambers, P.O. Box 3269, Apia Samoa	Investment holding	3,919,127	3,919,127	133,506,209	100	5,327,349	198,869	198,869	
	Sinyi Estate Ltd.	TMF Chambers, P.O. Box 3269, Apia Samoa	Investment holding	6,360,046	6,360,046	208,500,000	100	5,765,103	(43,183)	(43,183)	
Sinyi Limited (B.V.I.)	Inane International Limited (B.V.I.)	4 th 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	479,095	(186,625)	(186,625)	
	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	(7,880)	(7,594)	(7,524)	
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	10,304	-	-	
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	97,469	18,761	18,761	
Sinyi Realty Inc. Japan	Sinyi Management Co., Ltd.	2 nd Floor, Shoritsu Building 2-7-1 Yoyogi Shibuya-ku, Tokyo, Japan	Real estate brokerage, management and identification	10,746	10,746	600	100	55,750	2,576	2,576	
	Tokyo Sinyi Real Estate Co., Ltd.	3 rd Floor, No. 100, Sinyi Rd., Sec. 5, Sinyi District, Taipei City, Taiwan	Real estate brokerage	5,000	5,000	500,000	100	17,631	(2,575)	(2,575)	
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	5,162,238	151,708	151,708	
Sinyi Estate Ltd.	Sinyi Estate (Hong Kong) Limited	Unit 2103, Futura Plaza, 111 How Ming Street, Kwun Tong, Kowloon, Hong Kong	Investment holding	6,350,826	6,350,826	207,017,497	100	5,722,610	(43,184)	(43,184)	
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	111	(35)	(35)	
	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	34	(35)	(35)	

(Continued)

Investor Company	Investee Company	Location	Main Businesses and Products	Investment Amount		Balance as of December 31, 2020			Net Income (Loss) of the Investee	Investment Income (Loss) Recognized	Note
				Ending Balance	Beginning Balance	Shares	Percentage of Ownership (%)	Carrying Value			
SIN CHIUN HOLDING SDN. BHD.	FIDELITY PROPERTY CONSULTANT SDN. BHD.	Suite 9-13A, Level 9, Wisma Uoa II, Jalan Pinang, 50450 Kuala Lumpur, Malaysia	Management and identification	\$ 33,465	\$ 33,465	4,463,949	49	\$ 5,635	\$ (16,286)	\$ (7,980)	
	PEGUSUS 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	6,129	(8,373)	(8,373)	
PEGUSUS HOLDING SDN. BHD.	FIDELITY PROPERTY CONSULTANT SDN. BHD.	Suite 9-13A, Level 9, Wisma Uoa II, Jalan Pinang, 50450 Kuala Lumpur, Malaysia	Management and identification	34,831	34,831	4,646,151	51	5,865	(16,286)	(8,306)	
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	300,000	20	2,104	(1,236)	(247)	
	Lin Yue Traffic Inc.	No. 100, Sinyi Rd., Sec. 5, Sinyi District, Taipei City, Taiwan	Manpower dispatch and merchandise delivery	19,300	11,300	2,500,000	100	6,672	(7,062)	(7,062)	
SINJU HOLDINGS 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	15,129	-	2,000,000	100	10,848	(3,291)	(3,291)	
	SINHONG INTERNATIONAL SDN. BHD.	Unit 20-1, Level 20, Menara Prestige, No.1, Jalan Pinang, 50450 Kuala Lumpur W.P. Kuala Lumpur, Malaysia	Investment holding	-	-	-	-	-	-	-	Note
SINYI MOREFUN TOURISM DEVELOPMENT LTD.	SINYI INFINITE LIMITED	Coastal Building, Wickham's Cay II, P. O. Box 2221, Road Town, Tortola, British Virgin Islands.	Investment holding	-	-	-	-	-	-	-	Note
	SINYI ELITE LIMITED	Coastal Building, Wickham's Cay II, P. O. Box 2221, Road Town, Tortola, British Virgin Islands.	Investment holding	-	-	-	-	-	-	-	Note
	SINYI UNIQUE LIMITED	Coastal Building, Wickham's Cay II, P. O. Box 2221, Road Town, Tortola, British Virgin Islands.	Investment holding	-	-	-	-	-	-	-	Note
SINYI INFINITE LIMITED	ZHANSIN TOURISM DEVELOPMENT SDN. BHD.	LOT NO. 62, 2ND FLOOR, BLOCK A BUNDUSAN COMMERCIAL CENTRE 88300 KOTA KINABALU SABAH MALAYSIA	Tourism	-	-	-	-	-	-	-	Note
SINYI ELITE LIMITED	ZHANYI TOURISM DEVELOPMENT SDN. BHD.	LOT NO. 62, 2ND FLOOR, BLOCK A BUNDUSAN COMMERCIAL CENTRE 88300 KOTA KINABALU SABAH MALAYSIA	Tourism	-	-	-	-	-	-	-	Note
SINYI UNIQUE LIMITED	ZHANCHENG TOURISM DEVELOPMENT SDN. BHD.	LOT NO. 62, 2ND FLOOR, BLOCK A BUNDUSAN COMMERCIAL CENTRE 88300 KOTA KINABALU SABAH MALAYSIA Pinang, 50450 Kuala Lumpur W.P. Kuala Lumpur, Malaysia	Tourism	-	-	-	-	-	-	-	Note

Note: The Group established the subsidiaries in 2020; as of December 31, 2020, the capital injection had not been completed.

(Concluded)

SINYI REALTY INC. AND SUBSIDIARIES

INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE YEAR ENDED DECEMBER 31, 2020
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investee Company Name	Main Businesses and Products	Total Amount of Paid-in Capital	Investment Type	Accumulated Outflow of Investment from Taiwan as of January 1, 2020	Investment Flows		Accumulated Outflow of Investment from Taiwan as of December 31, 2020	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Income (Loss) Recognized (Note 1)	Carrying Value as of December 31, 2020 (Note 2)	Accumulated Inward Remittance of Earnings as of December 31, 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	\$ (7,562)	100	\$ (7,562)	\$ (7,783)	\$ -
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	(184,665)	100	(184,665)	479,789	-
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	(1,399)	100	(1,399)	(22,214)	-
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	(454)	100	(454)	19,684	-
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	(141,598)	100	(141,598)	130,753	-
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	-	179,698	-
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	(9,095)	100	(9,095)	539	-
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	72	100	72	44,534	-
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	156,079	100	156,079	5,158,241	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 December 31, 2020	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Income (Loss) Recognized (Note 1)	Carrying Value as of December 31, 2020 (Note 2)	Accumulated Inward Remittance of Earnings as of December 31, 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	\$ (63,681)	100	\$ (63,681)	\$ 77,726	\$ -
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	47,154	100	47,154	164,491	-
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.	-	-	-	-	(288)	100	(288)	8,841	-
Jiaying Zhi Zheng Real Estate Marketing Planning Inc.	Real estate marketing planning and management consulting	RMB 100	Investment in company located in mainland China indirectly through Shanghai Sinyi Real Estate Inc.	-	-	-	-	(269)	100	(269)	781	-
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	(43,184)	100	(43,184)	5,722,937	-
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	-	-	-	-	(2,445)	100	(2,445)	623	-
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.	-	-	-	-	(8,732)	100	(8,732)	1,353,743	-
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.	-	-	-	-	37,221	100	37,221	1,780,646	-
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.	-	-	-	-	(673)	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.	-	-	-	-	- (Note 8)	15	- (Note 8)	657	-
Chuzhou Zhi Zheng Real Estate Marketing Planning Inc. (Note 9)	Real estate marketing planning and management consulting	RMB -	Investment in company located in Mainland China indirectly through Shanghai Sinyi Real Estate Inc.	-	-	-	-	-	-	-	-	-

Accumulated Outflow for Investment in Mainland China as of December 31, 2020	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment (Note 7)
\$9,577,167	\$15,896,310	\$ -

(Concluded)

- Note 1: The investment gains and losses recognized were based on the investee company's audited financial statements for the same period.
- Note 2: The carrying value was converted into New Taiwan dollars at the exchange rates of US\$1=NT\$28.48 and US\$1=RMB6.5067 on December 31, 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.
- Note 8: Investments in equity instruments at FVTOCI, measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income.
- Note 9: The Group established the subsidiaries in 2020; as of December 31, 2020, the capital injection had not been completed.

(Concluded)

SINYI REALTY INC. AND SUBSIDIARIES**INFORMATION OF MAJOR SHAREHOLDERS
DECEMBER 31, 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.