



Sinyi Realty Inc.

2021 Annual General Shareholders' Meeting

**Meeting Handbook
(Translation)**

May 21, 2021

Note to Readers :

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 version shall prevail.

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I. Agenda of Annual General Shareholders' Meeting

1. Chairperson to announce the commencement of meeting

2. Chairperson's address

3. Report Items

- (1) To Report the Business of 2020.
- (2) To Report 2020 Employees' Profit Sharing Bonus and Directors' Compensation.
- (3) To Report Audit Committee's Review of the Business Report, Financial Statements and Earnings Distribution Proposal of 2020.
- (4) To Report Audit Committee's Communications with the Chief Internal Auditor.
- (5) To Report Concrete Promotion Plans for Corporate Social Responsibility Programs.
- (6) To Report Amendments to the Company's "Ethical Corporate Management Best Practice Principles".

4. Ratification Items

- (1) To Ratify 2020 Business Report and Financial Statements.
- (2) To Ratify 2020 Earning Distribution Proposal.

5. Extempore Motions

6. Adjournment

II. Report items

Item 1:

Subject: To report the business of 2020.

Descriptions:

1. Business report of the Company is in the Attachment 1 from Page 8-11 of this meeting handbook.
2. Please review.

Item 2:

Subject: To report 2020 employees' profit sharing bonus and directors' compensation.

Descriptions:

1. It is in accordance with Article 20 of the Articles of Incorporation of the Company.
2. The amount of income before tax before deducting profit sharing to the employees and directors' compensation for the year 2020 is NT\$2,027,539,208, which is multiplied by 1% and 0.23674% are NT\$20,275,393 and NT\$4,800,000 in cash for the employees and directors, respectively. The total amount is NT\$25,075,393.
3. Please review.

Item 3:

Subject: To report Audit Committee's review of the business report, financial statements and earnings distribution proposal of 2020.

Descriptions:

1. The board of directors has, in accordance with Article 18 of the Articles of Incorporation and Article 228 of the Company Act, prepared business report, financial statements and earning distribution proposal for the year of 2020 which have been audited by the audit committee, and are deemed no inappropriateness. Therefore, ratification report from Audit Committee for financial statements is attached in accordance with Article 14-4 of the Securities & Exchange Act and Article 219 of the Company Act, as detailed in Attachment 2 on page 12 of this meeting handbook.
2. Please review.

Item 4:

Subject: To report Audit Committee's communications with the chief internal auditor.

Descriptions:

1. Communications with internal auditing officers by the Audit Committee, as detailed in Attachment 3 from Page 13-16 of this meeting handbook.
2. Please review.

Item 5:

Subject: To report concrete promotion plans for corporate social responsibility programs.

Descriptions:

1. "Corporate Social Responsibility Best Practice Principles" and plans for promoting CSR are detailed in Attachment 4 from Page 17-18 of this meeting handbook.
2. Please review.

Item 6:

Subject: To report amendments to the Company's "Ethical Corporate Management Best Practice Principles".

Descriptions:

1. In response to amendments of law and to continually exercise ethical management policy, the Company amends partial articles of "Ethical Corporate Management Best Practice Principles".
2. Comparison tables of amended articles of "Ethical Corporate Management Best Practice Principles" of the Company are detailed in Attachment 5 from Page 19-23 of this meeting handbook.
3. Please review.

III. Ratification Items

Item 1

Proposed by the board of directors

Subject: To ratify 2020 business report and financial statements.

Descriptions:

1. It is in accordance with Article 18 of Articles of Incorporation of the Company, Article 228 of the Company Act, and Article 36 of the Securities & Exchange Act.
2. Financial statements of the Company for the year of 2020 have been audited by CPAs Shyu Wen-Yea and Lai Kuan-Chung of Deloitte & Touche, and the independent auditors' report thereof has been issued.
3. Business report, independent auditors' report and financial statements of the Company for the year of 2020 are submitted, as detailed in Attachment 1 on page 8-11 and Attachment 6 from Page 24-43 of this meeting handbook.
4. Submitted for acceptance.

Resolution:

Item 2

Proposed by the board of directors

Subject: To ratify 2020 earning distribution proposal.

Descriptions:

1. It is in accordance with Article 18 and Article 20-1 of the Articles of Incorporation of the Company and Article 228 of the Company Act.
2. The beginning undistributed earnings of the Company for the year of 2020 is NT\$ 214,000,300. After adding NT\$ 186,392,614 for the gain on disposing unrealized gain from financial assets measured at fair value through other comprehensive income, deducting NT\$ 14,993,852 for the re-measurement of defined benefit obligation and NT\$1,171,389 due to long-term investment in shares of the Company, respectively, the adjusted beginning undistributed earnings is NT\$384,227,673. Additionally adding 2020 earnings after tax of NT\$1,552,287,557, and deducting appropriated legal reserve of NT\$172,251,493 and special reserve of NT\$185,378,515, the 2020 distributable earnings is NT\$ 1,578,885,222. It is proposed to distribute cash dividends to shareholders in the amount of NT\$1,252,639,050. As calculated by actual outstanding share number of 736,846,500 shares of the Company as of February 25, 2021, each share will be distributed for a cash dividend of NT\$1.7 (the amount which each shareholder receive will be rounded to dollar; remaining amount for fractional shares is recorded as other income of the Company).
3. 2020 earning distribution table is proposed as follows:

Items	Amount (NT dollars)
Beginning undistributed earnings (a)	\$ 214,000,300
Add: gain on disposing unrealized gain from financial assets measured at fair value through other comprehensive income (b)	186,392,614
Less: Re-measurement of defined benefit obligation (c)	(14,993,852)
Less: Adjustment to undistributed earnings due to long-term investment in shares defined benefit obligation(d)	(<u>1,171,389</u>)
Adjusted beginning undistributed earnings(e)=(a+b-c-d)	384,227,673
Add: Net income of 2020(f)	1,552,287,557
Less: Appropriation of legal reserve (g) =(f+b-c-d)×10%	(172,251,493)
Less: Special reserve(h)	(<u>185,378,515</u>)
Current distributable earnings (i) =(e+f-g-h)	1,578,885,222
Propose to distribute items:	
Less: Bonuses to shareholders(j)	(<u>1,252,639,050</u>)
Ending undistributed earnings (k)=(i-j)	\$ <u><u>326,246,172</u></u>

Notes: Amount of current earnings distribution will be paid from 2020 net income first.

Chairperson: Hsueh Chien-Ping General Manager: Liu Yuan-Chih Chief Accountant: Lin Chiu-Chin

4. Upon ratification of this proposal at the annual meeting of shareholders, it is proposed to authorize Chairperson of the board of directors to determine ex-dividend date, distribution date and other relevant affairs. If subsequently the number of outstanding shares is affected by buyback of shares of the Company or transfer, conversion or cancellation of treasury shares, resulting in change in the

ratio of distribution of cash dividend to shareholders from earnings, it is proposed to authorize Chairperson of the board of directors to adjust the ratio of distribution of dividend.

5. Submitted for acceptance.

Resolution:

IV. Extempore Motion

V. Adjournment

VI. Attachments

Attachment 1

Sinyi Realty Inc.

Business Report of 2020

Global economic relations have been hit hard by the coronavirus COVID-19, and the Company's overseas subsidiaries were also greatly affected. Fortunately, Taiwan presents an example of how to be prepared in the event of a pandemic. The economy has recovered from the coronavirus pandemic much quicker than expected after May. Low-interest-rate policy has been stimulating house purchases and the amount of houses sold this year across Taiwan exceeded 320,000, with an annual increase of 8.8%, reaching a record high from the previous seven years. The Company endeavors to integrate online and offline services to quickly respond to post-epidemic residential services. The revenue and operating profit of real estate brokerage sales and the agency sales have increased by 16% and 30% respectively from the previous year.

With respect to the industrial environment and operating results in the past year, as well as the external competitive, legal and macroeconomic environment in the next year, operating objectives and prospects of the Company and its subsidiaries in 2021 are as follows:

1. The industrial environment and business performance

Although Taiwan's housing market was greatly influenced by the pandemic at the beginning of the year, benefited from the external environment such as the loose monetary policy, the support of the fiscal revitalization plan, and the return of purchase demand from Taiwanese businessmen, the transaction volume of the real estate market in Taiwan has increased. The Company has also responded quickly to the pandemic and accelerated its digital transformation. In addition to continuing the use of digital technology and other auxiliary tools, the real estate brokerage business has also launched DiNDON smart house viewing and other more efficient and convenient interactive house viewing services. With the online and offline connections, the Company not only provides intimate house buying and selling services, but also provides various house services to the community residents with an attitude of "treating customers like family members", and strives to become the "facilitator of a better community life" and move towards the Company's vision of being "the No. 1 brand in the residential life industry".

After years of development in related real estate services, and with the successful experience of "Sinyi comprehensive real estate platform", we has been affirmed by many construction companies. Carefully selecting high-quality projects to manage operating risks becomes one of key success factors of Sinyi's agency sale, which increases by 20%.

Shanghai's prolonged stay-at-home situation, due to the epidemic, accelerated the entry of improvement-type clients, resulting in an increase in the number of housing transactions throughout the year, driving Shanghai Sinyi's real estate brokerage and agency revenues to increase 13% and 60%, respectively, when compared to the previous year. In Suzhou, the supply exceeded the demand, and the fall in housing prices led to a strong wait-and-see attitude for home buyers. This, coupled with the escalation of restrictive policies on purchase and loan activities, had an impact on the revenue performance of Suzhou Sinyi. The total revenue of the real estate brokerage business unit in Mainland China decreased by more than 40%, compared with the previous year.

The epidemic in Japan has severely impacted the Taiwan-Japan chain service model that has been cultivated for more than 10 years. In order to reduce the impact of the strict border controls, due to the epidemic prevention, Japan Sinyi, in addition to increasing the use of technology tools, such as video house tours, has adjusted its main customer group focus to "Chinese in Japan", coordinating their comments with their relatives' in Taiwan and offering house tours in the vicinity to help reduce the impact of the epidemic. The revenue of Japan Sinyi decreased by 20%, compared with the previous year.

Without the support of brand power, the development business in Mainland China is in a highly competitive environment. In Wuxi, where many well-known developers have been operating in the region for many years, the Company is creating a strong humanistic atmosphere in the community and continuing the cultural heritage of the region. Concerning the first high-end construction project in the region, "Shanshui Jiating", the initial sales progress is slow. But after nearly a year of effort, consumers began to feel and appreciate the quality and design characteristics of the project, and sales momentum is gradually emerging. With the goal of creating happy homes, "based on humanity with home at its core", in Taiwan, the Project "Jaihe" and "Jiapi" launched by the development business have been favored by consumers, with pre-sales rates of over 80% and 50%, respectively, at the end of 2020.

The operating performances in Year 2020 and Year 2019 are summarized as below:

【Analyses on the financial revenues and expenditures and profitability】

Expressed in Million New Taiwan Dollars

Items		Year	Year 2020	Year 2019
Financial income/expenditure	Operation revenue		13,061	12,438
	Operating income		2,112	1,972
	Non-operating income (expense)		75	85

	Consolidated income before tax	2,187	2,057
	Income tax	617	780
	Net income (attributable to owner of the Company)	1,552	1,263
Profitability	Return on total assets (%)	5%	5%
	Return on equity (%)	14%	12%
	Net income margin (%)	12%	10%
	Earnings per share (\$)	2.11	1.71

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

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

The brokerage and relevant house service—

In 2021, the housing market is expected to continue its recovery trend of the previous year under the environment of low interest rate and economic recovery. Although government's housing policy is the key to development of the housing market, the policy is clearly setting the tone on "fighting speculation, not fighting housing", which is expected to help reduce the concerns of owner-occupiers. In order to enhance the quality of customer services, the Company will accelerate the digital transformation process, link the core value of trust, innovate the application of technology, optimize the internal organizational workflow and strive to enhance the value of O2O services, and be known as the innovator of digital services in this industry.

The real estate brokerage business in Mainland China is striving to extend the awareness of comprehensive staff-management philosophy to every colleague, and effectively to improve single store and per capita productivity, in order to cope with the future development trends, meet the customer needs in buy-and-sell housing transactions, and truly and effectively improve customer satisfaction. In anticipation of the continued impact of the epidemic, Japan Sinyi will make good use of digital technology and the spirit of supreme service to seize every opportunity to serve customers, explore and meet the true needs of each customer, and strive to expand the "SJ Home" brand and improve the quality and effectiveness of SJ HOME's services.

Real estate development—

The real estate development business units on both sides of the Taiwan Strait inherits the community-building genes of the Sinyi Enterprise Group's "community as a family" for more than a decade. Concerning construction, the real estate development business units are introducing "Building Information Modeling (BIM)" and "Production Certification for Building", as well as various enhanced engineering methods, which

take into account safety, comfort and care, to achieve the construction goal of a timeless and heirloom building. With the quality and product positioning gradually being recognized by the market, the real estate development business unit will increase the sales of the Project "Shanshuijiating" in Wuxi in the coming year and improve the preparatory work before handing over the property. In addition, the real estate development business unit will continue to promote the pre-sales of Project "Jaihe" and Project "Jiabin", and with our experience of community building, we will translate our care for each resident into practical actions that turn the neighborhood into a happy family residence. Meanwhile, the development business unit will continue to search for suitable land for development and actively promote the "comprehensive service" model to expand the operating momentum of the development business with the Company's rich real estate service system of housing brokerage, agency sales, construction management and property survey.

Leisure and tourism industry—

With the unexpected Coronavirus outbreak, the Company's deployment schedule for tourism in Sabah, Malaysia has been already severely affected. Looking forward to 2021, before the epidemic gets better, the Company will continue to actively invest in developing and planning, and eventually coming up with a sound hotel service module in the post-epidemic era, and hopes the resort will become the first choice for both locals and visitors in Sabah in the future.

Chairperson: Hsueh Chien-Ping General Manager: Liu Yuan-Chih Chief Accountant: Lin Chiu-Chin

Attachment 2

Sinyi Realty Inc.

Audit Committee's Review Report

We have agreed and submitted the Company's 2020 financial statements to the board of directors and obtained the approval of the board of directors. The financial statements have been audited by Deloitte & Touche engaged by the board of directors with an unqualified opinion in the independent auditor's report.

We audited the Company's 2020 business report and earning distribution proposal which have been resolved by the board of directors and has concluded that both of them are in accordance with the related regulations.

In Summary, the Company's 2020 financial statements, 2020 business report and earning distribution proposal which have been resolved by the board of directors and audited by us are all prepared in accordance with the related regulations. Pursuant to Article 219 of the Company Act, a report is submitted as above. Please review.

To
2021 Annual General Shareholders' Meeting

Sinyi Realty Inc.

Convener of Audit Committee:



Yen, Lou-Yu

February 25, 2021

Sinyi Realty Inc.

Audit Committee's communications with the chief internal auditor of 2020

Date	Mode	Issues to communicate	Comment from the independent directors
01/20/2020	Audit Committee	Report the results of audit report	<p>1. Mr. Jhan Hong-Chih said that whether Sinyi Real Estate (Wuxi) Limited (hereinafter, "Sinyi Wuxi") has achieved its sale target would be the subject of Sinyi Wuxi's the daily operation and management, and it is advisable to ask the management team of Sinyi Wuxi to attend the board of the Company. He also suggested that the internal audit unit should only conduct an audit on whether the subsidiary has reported to the relevant supervisors in accordance with the management mechanism, and suggested that the internal audit unit could assist in establishing an exceptional management notification mechanism for the business units and subsidiaries to ensure that relevant supervisors could exactly keep tabs on the exceptional matters in time.</p> <p>2. The Chairman suggested that the General Manager of the development business unit be invited to attend the Board of Directors of the Company, and that for "significant non-quality project audit", the internal audit unit should work with the real estate brokerage and agency business units to define the significant non-quality and examine whether the process of the inspected units is effective in reducing risk. (The Management Team of Sinyi Wuxi had attended the Company's Board of Directors to present on March 26, 2020.)</p>
02/27/2020	Audit Committee	Report the results of audit report	The Chairman suggested that the internal audit report should focus on a brief summary of the internal control deficiencies found and their impact on the Company. After making recommendations which should be replied by the auditees, the internal audit unit should follow up on its improvements to ensure that the audit committee and the board of directors quickly understand the above situation and supervise them in due course.
		Discussion on representation of internal control system for 2019	The proposal was passed after the Chairman consulted all the members present without any other opinion, and then was proposed to the Board of Directors for resolution.
03/26/2020	Audit Committee	Report the results of audit report	Noted.
04/27/2020	Audit Committee	Report the results of audit report	Noted.
	Forum	Report on the important matters performed in 2020Q1 and audit	1. Any matters which the relevant competent authorities inquire about corporate governance, such as the effectiveness of internal controls shall be submitted to the

Date	Mode	Issues to communicate	Comment from the independent directors
		planning for Q2 to Q4	<p>Audit Committee and the Board of Directors immediately, so that members and directors can understand the contents of the incident and the subsequent handling of the matter.</p> <p>2. Due to the COVID-19 outbreak, the internal audit unit conducted the overseas subsidiary's inspection for Q2 to Q4 of 2020 with written inspection instead of field inspection. It is advisable that internal audit unit plan to strengthen the inspected unit with the first and second line of defense independent audit, such as expanding the scope or increasing the frequency, and then internal audit unit play the third line of defense to inspect and review its implementation.</p>
07/28/2019	Audit Committee	Report the results of audit report.	<p>1. As to the significant non-quality cases found in the project audit, (1) Mr. Hong San-xiong inquired about the response measures of the inspected unit to the case of malicious occupation by the seller or the original tenant, and suggested that a sound internal control mechanism should be established so that the buyer can confirm and agree to bear the lease and possession status of the subject matter; and that (2) The Chairman suggested that the internal audit unit should summarize the deficiencies of internal controls and their impact on the Company and improve accordingly and follow up, so as to make the project inspection report more detailed and complete and to enable the audit committee and the board of directors to quickly understand the above situation, and timely supervision.</p> <p>2. As to a letter from the competent authority requesting an explanation of the subsidiary's media coverage of the incident, (1) Mr. Zhan Hong-Chih and Mr. Hong San-Xiong asked why the process of punishing the supervisor and the progress of the proceedings had lasted for a long time; and (2) the Chairman suggested that the internal audit unit should clarify and propose corresponding improvements and provide sufficient information on the above observations at the next meeting. (General Audit officer had reported with additional information on 29 September 2020.)</p> <p>3. In view of the recent legal punishment cases: the Chairman asked the reasons for the continuing absence, and suggested that the internal audit unit should study the implementation degree of the unit under investigation and review the internal control design, to adjust accordingly.</p>
09/29/2020	Audit Committee	Report the results of audit report.	<p>1. Both the Chairman and Mr. Hong San-Xiong expressed the need to establish the specific investigation mechanism for major incidents, to explore the case in a timely manner and to</p>

Date	Mode	Issues to communicate	Comment from the independent directors
			<p>prevent those involved in the incident from joining the investigation and to ensure the independence of the project investigation. (The auditor office had reported the supplementary information on December 25, 2020 that the project investigation mechanism had been established.)</p> <p>2. For the inspection report related to the subsidiary, Sinyi Development Limited, it is recommended that the internal audit unit should provide the supplement of the land holding calculation description for the "Xinyi Jia-Ho" project, and include the improvement of implementation into the tracking report matters. (Internal audit unit had reported the supplementary information on October 28, 2020.)</p>
10/28/2020	Forum	The internal audit unit's execution of work for 2020 and the draft plan of internal audit for 2021.	The selection of the subject of project inspection can be communicated with the inspected units in advance, and the internal audit unit shall fully take the opinions of the inspected units into consideration to be closer to the practical needs. The internal audit unit is currently professional in the field of finance and accounting, it is recommended internal audit unit actively hire the professionals with information, legal compliance and risk management, or conduct the audit work by rotation or with the help of other professional units.
	Audit Committee	Report the results of audit report.	Noted.
12/25/2020	Audit Committee	<p>Report the results of audit report.</p> <p>The Company's internal audit plan for 2021</p>	<p>Noted.</p> <p>1. The Chairman made inquiries about the relevance of the special audit to risk management which is responded by the Auditor-General, Ms. Chou Su-Hsiang. The Chairman also suggested that in the future, auditor office actively discussed with the business leaders in advance prior to the preparation of the annual audit plan about the specific audit matters which they considered needed to be strengthened, so as to make the audit plan more effective.</p> <p>2. Ms. Li Yi-Li inquired about who conduct self-audit, the frequency of audit, how the auditees conducted self-audit and how the auditor office conducted the review, which was replied to by the Audit-General, Ms. Chou Su-Hsiang.</p> <p>3. Due to the more frequent information security accident announcements and in response to the Group's digital transformation plan, Mr. Jhan Hong-Chih suggested the information security unit increase the frequency of security self-check from once a year to once a quarter. In addition, he suggested that the Company's domain-wide penetration tests should be conducted annually to fix system</p>

Date	Mode	Issues to communicate	Comment from the independent directors
			<p>weaknesses and prevent information security vulnerabilities. (The auditor officer has informed the information security unit to adjust the frequency of self-check.)</p> <p>4. After the Chairman has consulted all the members present without any other comments, the proposal was adopted and then submitted to the Board of Directors for approval.</p>

Sinyi Realty Inc.

Concrete promotion plans for corporate social responsibility programs

Topic	2021 Program
Governance	<p>Efforts & acts to optimize corporate governance</p> <ul style="list-style-type: none"> • Complete the Company's IR website revision • Get a corporate governance assessment premium certification awarded by TCGA • Stipulate regulations to prevent insider violations • Integrate and simplify the complaints reporting system process • Stipulate the SOP of assisting new independent director before taking office • Create an independent pool of directors <p>Implement thoroughly transparent faithfulness and regulation compliance</p> <ul style="list-style-type: none"> • Jointly revise the advertising and marketing review benchmark manual for new state marketing patterns • Continuously monitor and promote the Group's significant risk management • Revise internal control system, systematic internal control self-assessment • Optimize the quality of internal audits <p>Develop innovative services based on customer needs</p> <ul style="list-style-type: none"> • Change the service appearance with digital and innovative • Develop the leak guarantee 3.0 • The introduction of a secure home purchase protection system • DiNDON Smart House-seeing 2.0 with No Distance and No Tough Application Service • Develop a non-management committee-type community support function
Social	<p>Efforts to attract outstanding talents</p> <ul style="list-style-type: none"> • Operating a multi-talent pipeline • Shape the work brands that new generations yearn for • Promote staff's and supervisors' ability to work • Develop a digital learning environment • Refined compensation, leave and performance system <p>Healthy and blessed workplaces</p> <ul style="list-style-type: none"> • Introduction of ISO45001 Occupational Safety and Health • Improve the affiliates' occupational security management system • Create a job specification for resumption of work • Create a holistic health care system • Innovate the application and promotion of Flexible Welfare Policies -"SinFucoin" system • Create a high-quality work field <p>Combine resources to strengthen influential powers</p> <ul style="list-style-type: none"> • Continuously promote community development program, expand exchanges among different ethnic groups • Promote multi-flexible community volunteer services • Special planning for the tenth anniversary of the Sinyi Lecture Hall • The issue of corporate ethics, Jointly organized by the Sinyi Cultural Foundation and the China Association for Corporate Ethics <p>In cooperation with cross-disciplinary units and the use of emerging media, the Sinyi Cultural Foundation and the Chinese Association for Ethical Education of Enterprises jointly initiate corporate ethics issues through the combination with online and offline media</p> <p>Sound supply chain management</p> <ul style="list-style-type: none"> • Introduction of the ISO20400 supply chain management system

Topic	2021 Program
	<ul style="list-style-type: none"> • Share learning resources with suppliers • Strengthen ESG in the supplier selection process and forms, deepen visit and form management, and continuously track the supplier's social impact
Environment	<p>Low carbon services</p> <ul style="list-style-type: none"> • The number of zero-carbon branch stores expands to 17 stores across Taiwan • Obtain carbon labeling, carbon reduction labeling and carbon footprint identification <p>Reduce energy use and improve ecological efficiency</p> <ul style="list-style-type: none"> • In line with international environmental norms, continuously pass various environmental-related inspection, and conduct comprehensive greenhouse gas inventory and water footprint • Use a renewable energy (green electricity) to the percentage of 4% <p>Participation in international initiatives to expand impact</p> <ul style="list-style-type: none"> • Continuously obtain various environmental-related certification and participate in the CDP Carbon Disclosure Program

Attachment 5

Sinyi Realty Inc.

Ethical Corporate Management Best Practice Principles Best Practice Principles Comparison Table of Amended Articles

Amended articles	Present articles	Description of amendment
<p>Article 5 The Company shall, in the light of the operational concepts of honesty, transparency and responsibility, <u>approved by board of directors</u>, formulate the policies on basis of good faith, and establish good corporate governance and risk control and management mechanism, so as to create an operational environment for sustainable development.</p>	<p>Article 5 The Company shall, in the light of the operational concepts of honesty, transparency and responsibility, formulate the policies on basis of good faith, and establish good corporate governance and risk control and management mechanism, so as to create an operational environment for sustainable development.</p>	<p>Revise the wordings in accordance with the amendment to the guideline of “ Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies” issued by the government.</p>
<p>Article 7 <u>The Company shall establish a risk assessment mechanism against unethical conduct, analyze and assess on a regular basis business activities within their business scope which are at a higher risk of being involved in unethical conduct, and establish prevention programs accordingly and review their adequacy and effectiveness on a regular basis.</u> <u>The Company shall refer to prevailing domestic and foreign standards or guidelines in establishing the prevention programs, which shall at least include preventive measures against the following:</u> ...</p>	<p>Article 7 In formulating preventive programs, the Company shall analyze the business activities within its business line that are at a higher risk of being involved in an unethical conduct, and strengthen relevant preventive measures. The preventive programs formulated by the Company shall at least include the following preventive measures: ...</p>	<p>Revise the wordings in accordance with the amendment to the guideline of “ Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies” issued by the government.</p>
<p>Article 8 <u>The Company shall request their directors and senior management to issue a statement of compliance with the ethical management policy and require in the terms of employment that employees comply with such</u></p>	<p>Article 8 The Company and their respective business group shall clearly specify in their rules and external documents the ethical corporate management policies and the commitment by the board of</p>	<p>Revise the wordings in accordance with the amendment to the guideline of “ Ethical Corporate Management Best Practice Principles</p>

Amended articles	Present articles	Description of amendment
<p><u>policy.</u></p> <p>The Company and their respective business group shall clearly specify in their rules and external documents_ <u>and on the company website the ethical corporate management policies and the commitment by the board of directors and senior management on rigorous and thorough implementation of such policies, and shall carry out the policies in internal management and in commercial activities.</u></p> <p><u>The Company shall compile documented information on the ethical management policy, statement, commitment and implementation mentioned in the first and second paragraphs and retain said information properly.</u></p>	<p>directors and senior management on rigorous and thorough implementation of such policies, and shall carry out the policies in internal management and in commercial activities.</p> <p>...</p>	<p>for TWSE/GTSM Listed Companies” issued by the government.</p>
<p>Article 18</p> <p>The directors, independent directors, managers, employees, mandataries, and substantial controllers of the Company shall exercise the due care of good administrators to urge the Company to prevent unethical conduct, review the results of its implementation from time to time and continually make improvements so as to ensure thorough implementation of its ethical corporate management policies. To achieve sound ethical corporate management, the Company shall establish a dedicated unit that is subordinate to the board of directors and responsible for formulating and supervising the implementation of the ethical corporate management policies and preventive programs and <u>avail itself of adequate resources and staff itself with competent personnel,</u> responsible for establishing and supervising the implementation of the ethical corporate management policies and prevention programs.</p>	<p>Article 18</p> <p>The directors, independent directors, managers, employees, mandataries, and substantial controllers of the Company shall exercise the due care of good administrators to urge the Company to prevent unethical conduct, review the results of its implementation from time to time and continually make improvements so as to ensure thorough implementation of its ethical corporate management policies.</p> <p>To achieve sound ethical corporate management, the Company shall establish a dedicated unit that is subordinate to the board of directors and responsible for formulating and supervising the implementation of the ethical corporate management policies and preventive programs and responsible for establishing and supervising the implementation of the ethical corporate management</p>	<p>Revise the wordings in accordance with the amendment to the guideline of “ Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies” issued by the government.</p>

Amended articles	Present articles	Description of amendment
<p>The dedicated unit shall be in charge of the following matters, and shall report to the board of directors on a regular basis <u>(at least once a year)</u>:</p> <p>I. Assisting in incorporating ethics and moral values into the Company's operation strategy and formulating relevant preventive measures against corruption and malfeasance to ensure ethical management in compliance with the requirements of laws and regulations.</p> <p>II. <u>Analyzing and assessing on a regular basis the risk of involvement in unethical conduct within the business scope</u>, adopting accordingly programs to prevent unethical conduct, and setting out in each program the standard operating procedures and conduct guidelines with respect to the company's operations and business.</p> <p>III. ...</p>	<p>policies and prevention programs. The dedicated unit shall be in charge of the following matters, and shall report to the board of directors on a regular basis <u>(at least once a year)</u>:</p> <p>I. Assisting in incorporating ethics and moral values into the Company's operation strategy and formulating relevant preventive measures against corruption and malfeasance to ensure ethical management in compliance with the requirements of laws and regulations.</p> <p>II. Adopting accordingly programs to prevent unethical conduct, and setting out in each program the standard operating procedures and conduct guidelines with respect to the company's operations and business.</p> <p>III. ...</p>	
<p>Article 20</p> <p>The Company shall establish effective accounting systems and internal control systems for business activities possibly at a higher risk of being involved in an unethical conduct, not have under-the-table accounts or keep secret accounts, and conduct reviews regularly so as to ensure that the design and enforcement of the systems are showing results.</p> <p>The internal audit unit of the Company shall, <u>based on the results of assessment of the risk of involvement in unethical conduct, devise relevant audit plans including auditees, audit scope, audit items, audit frequency, etc., and examine accordingly the compliance with the prevention programs.</u> The</p>	<p>Article 20</p> <p>The Company shall establish effective accounting systems and internal control systems for business activities possibly at a higher risk of being involved in an unethical conduct, shall not have under-the-table accounts or keep secret accounts, and shall conduct reviews regularly so as to ensure that the design and enforcement of the systems remain effective.</p> <p>The internal audit unit of the Company shall <u>periodically examine the status of compliance with the foregoing systems and prepare audit reports and submit the same to the board of directors.</u> The internal audit unit may engage a certified public accountant to</p>	<p>Revise the wordings in accordance with the amendment to the guideline of " Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies" issued by the government.</p>

Amended articles	Present articles	Description of amendment
<p>internal audit unit may engage a certified public accountant to carry out the audit, and may engage professionals to assist if necessary. <u>The results of examination in the preceding paragraph shall be reported to senior management and the ethical management dedicated unit and put down in writing in the form of an audit report to be submitted to the board of directors.</u></p>	<p>carry out the audit, and may engage professionals to assist if necessary.</p>	
<p>Article 23</p> <p>The Company shall establish a concrete and feasible violation reporting system and scrupulously operate the system. Its contents shall at least include the following matters:</p> <p>I. Establishing and publishing an internal independent misconduct reporting mailbox or hotline, or appointing other external independent institution to provide a misconduct reporting mailbox or hotline, for use of the Company’s internal and external persons.</p> <p>II. Designating a dedicated personnel or unit to handle reports of misconduct. Any misconduct involving a director or senior manager shall be reported to the independent directors. Categories of reported misconduct and standard operating procedures for the investigation shall be formulated.</p> <p>III. <u>Documentation and maintenance of case acceptance, investigation processes, investigation results, and relevant documents produced.</u></p> <p>IV. Confidentiality of the identity of reporters and the content of reported cases.</p> <p>V. Measures for protecting reporters from inappropriate</p>	<p>Article 23</p> <p>The Company shall establish a concrete and feasible violation reporting system and scrupulously operate the system. Its contents shall at least include the following matters:</p> <p>I. Establishing and publishing an internal independent misconduct reporting mailbox or hotline, or appointing other external independent institution to provide a misconduct reporting mailbox or hotline, for use of the Company’s internal and external persons.</p> <p>II. Designating a dedicated personnel or unit to handle reports of misconduct. Any misconduct involving a director or senior manager shall be reported to the independent directors. Categories of reported misconduct and standard operating procedures for the investigation shall be formulated.</p> <p>III. Confidentiality of the identity of reporters and the content of reported cases.</p> <p>IV. Measures for protecting reporters from inappropriate punishments due to their reports</p> <p>V. Incentive measures for</p>	<p>Revise the wordings in accordance with the amendment to the guideline of “ Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies” issued by the government.</p>

Amended articles	Present articles	Description of amendment
<p>punishments due to their reports</p> <p>VI. Incentive measures for reporters.</p> <p>VII. When material misconduct or likelihood of material impairment to the Company comes to their awareness upon investigation, the dedicated personnel or unit handling the misconduct reporting system shall immediately prepare a report and notify the independent directors in written form.</p>	<p>reporters.</p> <p>VI. When material misconduct or likelihood of material impairment to the Company comes to their awareness upon investigation, the dedicated personnel or unit handling the misconduct reporting system shall immediately prepare a report and notify the independent directors in written form.</p>	

Attachment 6

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

(Continued)

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)

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Sinyi Realty Inc.

Opinion

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

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2020 and 2019, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

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

Key Audit Matter

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

The key audit matters of Company's 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 Company's revenue earned from the real estate agency sales business was NT\$1,251,116 thousand. Real estate agency sales will be recognized when the performance obligations stated in each sales contract signed by the Company with construction companies are fulfilled. Since the revenue earned from a single customer of the real estate agency sales business is higher than that of other services, and the criteria for the recognition of performance obligations involve greater managerial judgment, the recognition of revenue earned from the real estate agency sales business has been identified as a key audit matter.

We understood the Company'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 Company evaluated the credit risks and tested the recovery of trade receivables.

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

Valuation of Inventories - Investments Accounted for Using the Equity Method

As stated in Note 10 to the accompanying financial statements, as of December 31, 2020, the carrying amount of the investments in Sinyi International Limited ("Sinyi International") and Sinyi Development Inc. ("Sinyi Development"), which were accounted for using the equity method, was NT\$11,507,112 thousand and NT\$1,663,080 thousand, representing 43% and 6% of the Company's assets, respectively. For the year ended December 31, 2020, the share of profit (loss) of the investments in Sinyi International and Sinyi Development's subsidiaries, which were accounted for using the equity method was NT\$72,249 thousand and NT\$(137,538) thousand, representing 5% and (9%) of the Company's total comprehensive income, respectively. Therefore, the financial position and performance of Sinyi International and Sinyi Development would have a material impact on the Company's financial statements.

As of December 31, 2020, the total carrying amount of inventories of Sinyi International, Sinyi International's subsidiaries, and Sinyi Development was NT\$11,409,582 thousand. Due to changes in the overall economic environment and related business regulations, the Company had to take into consideration reasonable estimates of the future selling price and additional costs as well as changes in the economy, when assessing during the assessment of 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 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 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.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free of material misstatement, whether due to fraud or error.

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain a reasonable assurance about whether the 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 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 financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision, and performance of the company audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements for the year ended December 31, 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 financial statements are intended only to present the financial position, financial performance and cash flows in accordance with accounting principles and practices generally accepted in the ROC and not those of any other jurisdictions. The standards, procedures and practices to audit such financial statements are those generally applied in the ROC.

For the convenience of readers, the independent auditors' report and the accompanying financial statements have been translated into English from the original Chinese version prepared and used in the 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 financial statements shall prevail.

SINYI REALTY INC.

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)	\$ 596,783	2	\$ 487,041	2
Financial assets at fair value through other comprehensive income - current (Notes 4 and 7)	102,917	-	383,088	2
Notes receivable (Notes 4 and 8)	96,462	-	27,126	-
Trade receivables (Notes 4 and 8)	960,854	4	759,997	3
Trade receivables from related parties (Notes 4 and 28)	162,389	1	153,675	1
Other receivables (Notes 4 and 8)	1,967	-	10,810	-
Other receivables from related parties (Notes 4 and 28)	16,268	-	13,159	-
Current tax assets (Notes 4 and 22)	2,315	-	336	-
Other financial assets - current (Notes 9 and 29)	5,000	-	115,326	-
Other current assets (Note 15)	13,353	-	18,637	-
Total current assets	<u>1,958,308</u>	<u>7</u>	<u>1,969,195</u>	<u>8</u>
NON-CURRENT ASSETS				
Financial assets at fair value through other comprehensive income - non-current (Notes 4 and 7)	116,152	1	95,532	-
Investments accounted for using the equity method (Notes 4, 10 and 28)	16,226,718	61	15,842,676	61
Property, plant and equipment (Notes 4, 11 and 29)	2,863,390	11	2,787,335	11
Right-of-use assets (Notes 4 and 12)	2,779,714	10	2,539,100	10
Investment properties (Notes 4, 13 and 29)	2,548,321	10	2,629,342	10
Intangible assets (Notes 4 and 14)	38,848	-	36,674	-
Deferred tax assets (Notes 4 and 22)	48,498	-	34,247	-
Refundable deposits	90,503	-	86,965	-
Other non-current assets (Note 15)	5,710	-	3,161	-
Total non-current assets	<u>24,717,854</u>	<u>93</u>	<u>24,055,032</u>	<u>92</u>
TOTAL	<u>\$ 26,676,162</u>	<u>100</u>	<u>\$ 26,024,227</u>	<u>100</u>
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Notes payable	\$ -	-	\$ 313	-
Other payables (Notes 18 and 28)	2,496,167	9	1,931,872	7
Other payables to related parties (Notes 28)	1,042,150	4	-	-
Current tax liabilities (Notes 4 and 22)	455,819	2	122,148	-
Lease liability - current (Notes 4, 12 and 28)	413,547	1	392,330	2
Current portion of bonds payable (Note 17)	700,000	3	-	-
Other current liabilities (Note 18)	203,998	1	165,215	1
Total current liabilities	<u>5,311,681</u>	<u>20</u>	<u>2,611,878</u>	<u>10</u>
NON-CURRENT LIABILITIES				
Bonds payable (Note 17)	4,600,000	17	5,300,000	20
Long-term borrowings (Notes 16 and 29)	1,820,000	7	4,300,000	17
Deferred tax liabilities (Notes 4 and 22)	-	-	1,672	-
Lease liabilities - non-current (Notes 4, 12 and 28)	2,392,301	9	2,157,943	8
Net defined benefit liabilities - non-current (Notes 4 and 19)	149,614	1	138,850	1
Guarantee deposits received	30,761	-	30,881	-
Other non-current liabilities (Note 18)	842,514	3	606,633	2
Total non-current liabilities	<u>9,835,190</u>	<u>37</u>	<u>12,535,979</u>	<u>48</u>
Total liabilities	<u>15,146,871</u>	<u>57</u>	<u>15,147,857</u>	<u>58</u>
EQUITY (Note 20)				
Ordinary shares	7,368,465	28	7,368,465	28
Capital surplus	63,896	-	63,896	-
Retained earnings				
Legal reserve	2,345,792	9	2,224,122	9
Special reserve	587,315	2	240,436	1
Unappropriated earnings	1,936,515	7	1,566,765	6
Total retained earnings	<u>4,869,622</u>	<u>18</u>	<u>4,031,323</u>	<u>16</u>
Other equity (Notes 4 and 20)				
Exchange differences on translating the financial statements of foreign operations	(1,065,685)	(4)	(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	<u>(772,692)</u>	<u>(3)</u>	<u>(587,314)</u>	<u>(2)</u>
Total equity	<u>11,529,291</u>	<u>43</u>	<u>10,876,370</u>	<u>42</u>
TOTAL	<u>\$ 26,676,162</u>	<u>100</u>	<u>\$ 26,024,227</u>	<u>100</u>

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

SINYI REALTY INC.

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				
Service revenue (Note 4)	\$ 11,013,952	100	\$ 9,476,074	100
OPERATING COSTS (Notes 19, 21 and 28)	<u>7,628,522</u>	<u>69</u>	<u>6,665,257</u>	<u>70</u>
GROSS PROFIT	<u>3,385,430</u>	<u>31</u>	<u>2,810,817</u>	<u>30</u>
OPERATING EXPENSES (Notes 19, 21 and 28)				
General and administrative expense	1,136,640	11	1,085,431	12
Expected credit loss (Note 8)	<u>682</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total operating expenses	<u>1,137,322</u>	<u>11</u>	<u>1,085,431</u>	<u>12</u>
PROFIT FROM OPERATIONS	<u>2,248,108</u>	<u>20</u>	<u>1,725,386</u>	<u>18</u>
NON-OPERATING INCOME AND EXPENSES				
Interest income (Note 21)	3,868	-	5,678	-
Rental income (Note 28)	109,483	1	99,101	1
Dividend income	3,410	-	9,255	-
Other gains (Notes 10, 12, 13, 21 and 28)	30,012	-	30,882	-
Finance costs (Notes 21 and 28)	(152,594)	(1)	(141,618)	(1)
Share of (loss) profit of subsidiaries, associates and joint ventures (Note 4)	<u>(239,824)</u>	<u>(2)</u>	<u>(123,060)</u>	<u>(1)</u>
Total non-operating income and expenses	<u>(245,645)</u>	<u>(2)</u>	<u>(119,762)</u>	<u>(1)</u>
PROFIT BEFORE INCOME TAX FROM CONTINUING OPERATIONS	2,002,463	18	1,605,624	17
INCOME TAX EXPENSE (Notes 4 and 22)	<u>(450,176)</u>	<u>(4)</u>	<u>(342,690)</u>	<u>(4)</u>
NET PROFIT FOR THE YEAR	<u>1,552,287</u>	<u>14</u>	<u>1,262,934</u>	<u>13</u>
OTHER COMPREHENSIVE INCOME (LOSS)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans (Note 19)	(18,742)	-	(50,207)	-
Unrealized (loss) gain on investments in equity instruments at fair value through other comprehensive income	(3,913)	-	127,869	1

(Continued)

SINYI REALTY INC.

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	%
Share of other comprehensive (loss) income of subsidiaries, associates and joint ventures accounted for using the equity method	\$ (127,223)	(1)	\$ 38,180	-
Income tax relating to items that will not be reclassified subsequently to profit or loss (Note 22)	3,748	-	10,041	-
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating the financial statements of foreign operations	<u>130,980</u>	<u>1</u>	<u>(515,226)</u>	<u>(5)</u>
Other comprehensive loss for the year, net of income tax	<u>(15,150)</u>	<u>-</u>	<u>(389,343)</u>	<u>(4)</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 1,537,137</u>	<u>14</u>	<u>\$ 873,591</u>	<u>9</u>
EARNINGS PER SHARE (Note 23)				
From continuing operations				
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 financial statements.

(Concluded)

SINYI REALTY INC.

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

	Ordinary Shares	Capital Surplus	Retained Earnings			Other Equity		Total Equity
			Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translating Foreign Operations	Unrealized (Loss) Gain on Investments in Equity Instruments at Fair Value through Other Comprehensive Income	
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
Appropriation of 2018 earnings								
Legal reserve	-	-	150,458	-	(150,458)	-	-	-
Special reserve	-	-	-	199,606	(199,606)	-	-	-
Cash dividends	-	-	-	-	(957,900)	-	-	(957,900)
Actual acquisition of interests in subsidiaries	-	(632)	-	-	(3,769)	-	-	(4,401)
Net profit for the year ended December 31, 2019	-	-	-	-	1,262,934	-	-	1,262,934
Other comprehensive (loss) income for the year ended December 31, 2019, net of income tax	-	-	-	-	(42,465)	(515,226)	168,348	(389,343)
Total comprehensive income (loss) for the year ended December 31, 2019	-	-	-	-	1,220,469	(515,226)	168,348	873,591
BALANCE AT DECEMBER 31, 2019	7,368,465	63,896	2,224,122	240,436	1,566,765	(1,196,665)	609,351	10,876,370
Appropriation of 2019 earnings								
Legal reserve	-	-	121,670	-	(121,670)	-	-	-
Special reserve	-	-	-	346,879	(346,879)	-	-	-
Cash dividends	-	-	-	-	(884,216)	-	-	(884,216)
Net profit for the year ended December 31, 2020	-	-	-	-	1,552,287	-	-	1,552,287
Other comprehensive (loss) income for the year ended December 31, 2020, net of income tax	-	-	-	-	(16,165)	130,980	(129,965)	(15,150)
Total comprehensive income (loss) for the year ended December 31, 2020	-	-	-	-	1,536,122	130,980	(129,965)	1,537,137
Disposal of the equity instruments at fair value through other comprehensive income	-	-	-	-	186,393	-	(186,393)	-
BALANCE AT DECEMBER 31, 2020	<u>\$ 7,368,465</u>	<u>\$ 63,896</u>	<u>\$ 2,345,792</u>	<u>\$ 587,315</u>	<u>\$ 1,936,515</u>	<u>\$ (1,065,685)</u>	<u>\$ 292,993</u>	<u>\$ 11,529,291</u>

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

SINYI REALTY INC.

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		
Profit before income tax	\$ 2,002,463	\$ 1,605,624
Adjustments for:		
Depreciation expenses	503,125	483,685
Amortization expenses	20,706	21,850
Expected credit loss recognized on trade receivables	682	-
Finances costs	152,594	141,618
Interest income	(3,868)	(5,678)
Dividend income	(3,410)	(9,255)
Share of loss of subsidiaries, associates and joint ventures	239,824	123,060
Loss on disposal of property, plant and equipment	1,082	516
Gain on disposal of investment properties	(6,715)	(7,961)
Impairment loss recognized on non-financial assets	3,343	29,378
Changes in operating assets and liabilities		
Notes receivable	(69,336)	3,475
Trade receivables	(201,539)	(162,468)
Trade receivables from related parties	(8,714)	(21,193)
Other receivables	9,164	4,376
Other receivables from related parties	(3,109)	754
Other current assets	5,284	7,731
Notes payable	(313)	47
Other payables	546,337	451,072
Other current liabilities	38,783	30,871
Other operating liabilities	<u>227,903</u>	<u>144,610</u>
Cash generated from operations	3,454,286	2,842,112
Interest received	3,547	6,150
Interest paid	(134,636)	(152,064)
Income tax paid	<u>(130,659)</u>	<u>(472,398)</u>
Net cash generated from operating activities	<u>3,192,538</u>	<u>2,223,800</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets through other comprehensive income	(15,644)	(4,500)
Proceeds from sale of financial assets at fair value through other comprehensive income	268,358	-
Purchase of long-term investments accounted for using the equity method	(630,358)	(1,404,468)
Net cash outflow on acquisition of subsidiaries	(5,310)	-
Return of capital from equity method investee	-	31,070
Payments for property, plant and equipment	(117,214)	(90,086)
Proceeds from disposal of property, plant and equipment	1,048	-
Increase in refundable deposits	(5,877)	(5,094)
Payments for intangible assets	(22,880)	(16,336)
Payments for investment properties	-	(94,324)
Proceeds from disposal of investment properties	42,642	35,350

(Continued)

SINYI REALTY INC.

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

	2020	2019
Increase in other financial assets	\$ -	\$ (110,621)
Decrease in other financial assets	110,326	-
Increase in other non-current assets	(2,549)	(936)
Dividends received	<u>21,893</u>	<u>152,552</u>
Net cash used in investing activities	<u>(355,565)</u>	<u>(1,507,393)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from bonds payable	-	900,000
Repayments of bonds payable	-	(1,500,000)
Proceeds from long-term borrowings	13,665,000	16,600,000
Repayments of long-term borrowings	(16,145,000)	(17,300,000)
Refund of guarantee deposits received	(120)	(6,380)
Increase in other payables to related parties	1,009,660	-
Repayment of the principal portion of lease liabilities	(405,045)	(389,251)
Dividends paid to owners of the Company	<u>(884,216)</u>	<u>(957,900)</u>
Net cash used in financing activities	<u>(2,759,721)</u>	<u>(2,653,531)</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	<u>32,490</u>	<u>295</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	109,742	(1,936,829)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>487,041</u>	<u>2,423,870</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 596,783</u>	<u>\$ 487,041</u>

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

(Concluded)

VII. Appendix

Appendix 1

Sinyi Realty Inc. **Articles of Incorporation** **Section I - General Provisions**

Article 1 The Corporation shall be incorporated, as a company limited by shares, under the Company Act of the Republic of China, and its name shall be 信義房屋股份有限公司 in the Chinese language, and Sinyi Realty Inc. (hereinafter, the "Company") in the English language.

Article 2 The scope of business of the Company shall be as follows:

1. H701010 Residence and Buildings Lease Construction and Development
2. H701020 Industrial Factory Buildings Lease Construction and Development
3. H704031 Real Estate Agencies
4. H704041 Real Estate Agency Operation
5. ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.

Article 2-1 The Company may provide endorsement and guarantee and act as a guarantor. The Company also may invest in other companies. The total amount of the Company's investment in other companies may be more than forty percent of the Company's paid-up capital.

Article 3 The Company is headquartered in Taipei and if necessary, may set up branch offices at home and abroad as resolved by the Company's board of directors.

Article 4 (Deleted)

Section II - Capital Stock

Article 5 The total capital stock of the Company shall be in the amount of 10,000,000,000 New Taiwan Dollars, divided into 100,000,000 shares, at ten New Taiwan Dollars each, and may be paid-up in installments conducted by the Company's board of directors.

A total amount of 150,000,000 New Taiwan Dollars, divided into 15,000,000 shares at ten New Taiwan Dollars each, among the total capital stock in the preceding paragraph should be reserved for issuing of employee stock options in installment pursuant to the resolution of board of directors.

In the event that the Company becomes duly entitled to purchase back its own shares, the board of directors is authorized to do so in accordance with laws and regulations.

Article 6 (Deleted)

Article 7 The share certificates of the Company shall in principle without exception be in registered form, attached with serial numbers, signed by, or affixed with the seals of, at least three directors, and authenticated by the competent governmental authority or a registration institution authorized thereby before issuance. Shares issued by the Company need not be in certificate form, but shall be registered with a securities depository enterprise.

Article 8 The shareholders' register shall be suspended for 60 days prior to an ordinary shareholders meeting, or for 30 days prior to an extraordinary shareholders meeting, or for 5 days prior to the record date fixed for distributing dividends, bonus, or any other benefit.

Section III SHAREHOLDERS' MEETING

Article 9 The Company's shareholders' meeting shall be of two types, ordinary shareholders' meeting and extraordinary shareholders' meeting. Ordinary shareholders' meeting shall be convened at least once a year, and shall be convened within six months after close of each fiscal year. Extraordinary shareholders' meeting shall be convened when necessary in accordance with the relevant laws and regulations.

Article 10 When a shareholder for any reasons cannot attend the shareholders' meeting in person, he/she/it may attend the meeting by appoint one proxy by executing a power of attorney printed by the Company stating therein the scope of power authorized to the proxy and sealed.

Article 11 Except in the circumstances set forth in the relevant laws and regulations where there is no voting right for a share, each shareholder of the Company shall have one vote for each share held.

Article 12 Unless otherwise provided by the Company Act, a resolution of the shareholders meeting shall be adopted by consent of a majority of the votes represented by those in attendance at a meeting attended, in person or by proxy, by shareholders who represent a majority of the total issued shares.

Section IV -Board of Directors

Article 13 The Company shall have seven to eleven directors to be elected by the shareholders meeting from among candidates with legal capacity. The term of office is three years, and they may continue in office if re-elected.

The election of directors shall adopt candidate nomination system. The shareholders shall elect the directors from the list of the nominated candidates

Article 13-1 The Company shall have three to four independent directors within the number of directors. The professional qualifications, shareholdings, restrictions on concurrent position, nomination, and other compliance matters shall be handled in accordance with relevant regulations of the securities authorities.

Article 14 The board of directors is composed of the directors of the Company and the

chairperson of the board of directors shall be elected from among the directors by a majority of directors in attendance at a meeting attended by at least two-thirds of the directors. The chairperson of the board of directors shall represent the Company in external matters.

Directors shall attend meetings of the board of directors in person. In the event that a board meeting is held through video conference, a director who participates in the meeting by means of video system shall be deemed to have attended in person. If a director is unavailable to attend a meeting in person, the director may issue a power of attorney for the given meeting specifying the scope of the authorized powers to authorize another director to attend the meeting on the director's behalf, provided that a director may represent only one other director at a meeting.

Article 14-1 The Company may establish functional committees of board of directors such as Audit Committee and Compensation Committee. The Audit Committee shall consist of all independent directors.

The Audit Committee or the members of Audit Committee in the preceding paragraph shall be responsible for those responsibilities of Supervisors specified under the ROC Company Law, Securities and Exchange Law and other relevant regulations.

Article 14-2 Each director shall be given at least 7 days advance notice of the convening of a board of directors meeting of the Company. In emergency circumstances, however, a meeting may be called on shorter notice.

The meeting notice shall specify the reasons for convening the meeting, and shall be made in writing, by e-mail, or by facsimile.

In addition to the relevant laws and the Company's Articles of Incorporation, the Company shall establish the rules and procedures of the board of directors' meeting.

Article 15 If the chairperson of the board of directors is on leave or cannot exercise powers or perform duties for any reason, an acting chairperson shall be designated in accordance with Article 208 of the Company Act.

Article 16 The Board of Directors is authorized to determine the compensation for the independent directors, taking into account the extent and value of the services provided for the management of the Company and the standards of other listed companies.

Section V -Managers

Article 17 The Company may have various managers. The appointment, discharge and the remuneration of the managers shall be handled in accordance with Article 29 of the Company Act.

The titles and scope of responsibility of managers in the preceding paragraph is resolved by the Company's board of directors.

Section VI -Accounting

Article 18 At the end of each fiscal year, the board of directors shall prepare the following

documents and submitted to the shareholders' meeting for approval:

1. Business report;
2. Financial report;
3. Proposal for allocating profit or covering loss.

Article 19 (Deleted)

Article 20 When it is determined that the Company has profit for a fiscal year, At least 1% of the profit exclusive of employees' and directors' remunerations shall be employees' remunerations which shall be resolved by the Company's board of directors for the amount by means of new share issuance or cash. in of amount shall be allocated as employee bonus. The employees to receive the remuneration may include employees serving with affiliates who meet specific requirements. Such specific requirements shall be prescribed by the board of directors. Not more than 1% of the profit exclusive of employees' and directors' remunerations shall be directors' remunerations.

A report of such distribution of employees' and directors' remuneration shall be submitted to the shareholders' meeting. However, the Company may provide the employees' and directors' remuneration according to the ratios in the preceding paragraph after the accumulated losses have been covered.

Article 20-1 When it is determined that the Company has earnings for a fiscal year, the earnings shall firstly be appropriated to profit-seeking enterprise tax payable, and make up the losses of previous years. Then, the Company shall provide 10% of the remaining earnings as the legal reserve if there is any remaining amount, unless such legal reserve has amounted to the total capital, and then set aside or reverse the special reserve in accordance with the requirements under the Securities and Exchange Act. The board of directors shall propose the earnings distribution proposal of the remaining and the accumulated undistributed earnings of previous years at the shareholders' meeting.

The Company takes a dividend policy which distributes the dividends after considering the present and future development plan, the investment environment, capital requirement and the domestic and foreign competitive status in addition to the interest of the Company's shareholders. However, the amount of the distributed earnings of that year shall not be less than 20% of the total accumulated undistributed earnings. The dividends and bonuses may be distributed by means of cash or stock, provided that the ratio of cash dividends may not be less than 10% of the total dividends.

Section VII -SUPPLEMENTARY PROVISIONS

Article 21 If there is any matter not covered herein, the Company Act shall govern.

Article 22 This Articles of Incorporation was established on December 23, 1986.

The first amendment was made on June 25, 1988.

The second amendment was made on December 7, 1988.

The third amendment was made on February 3, 1989.

The fourth amendment was made on March 16, 1990.
The fifth amendment was made on April 12, 1990.
The sixth amendment was made on February 28, 1991.
The seventh amendment was made on June 30, 1991.
The eighth amendment was made on March 7, 1992.
The ninth amendment was made on April 2, 1992.
The tenth amendment was made on June 15, 1992
The eleventh amendment was made on January 15, 1993.
The twelfth amendment was made on May 14, 1993.
The thirteenth amendment was made on June 30, 1993.
The fourteenth amendment was made on October 6, 1993.
The fifteenth amendment was made on October 26, 1993.
The sixteenth amendment was made on June 17, 1994.
The seventeenth amendment was made on June 30, 1995.
The eighteenth amendment was made on December 22, 1995.
The nineteenth amendment was made on June 3, 1996.
The twentieth amendment was made on May 2, 1997.
The twenty-first amendment was made on April 3, 1998.
The twenty-second amendment was made on May 18, 2000.
The twenty-third amendment was made on May 23, 2001.
The twenty-fourth amendment was made on May 21, 2002.
The twenty-fifth amendment was made on May 28, 2003.
The twenty-sixth amendment was made on June 14, 2006, but the Article 13-1 was effective from the date which the 2007 ordinary shareholders meeting was convened.
The twenty-seventh amendment was made on June 15, 2007.
The twenty- eighth amendment was made on June 13, 2008.
The twenty-ninth amendment was made on June 23, 2009.
The thirtieth amendment was made on June 11, 2010.
The thirty-first amendment was made on May 27, 2011.
The thirty-second amendment was made on June 15, 2012.
The thirty-third amendment was made on June 14, 2013.
The thirty-fourth amendment was made on May 20, 2016.
The thirty- fifth amendment was made on May 24, 2019.
The thirty- sixth amendment was made on May 22, 2020.

Appendix 2

Sinyi Realty Inc.

Rules and Procedures of Shareholders' Meeting

Formulated on May 2, 1997
The 3rd amendment on June 14, 2013

Article 1 To comply with the laws and to enhance the efficiency of the Company's shareholders meeting, these Rules and Procedures are adopted pursuant to Article 182-1, paragraph 2 of the Company Act.

Article 2 The Company shall specify in its shareholders meeting notices the time during which shareholder attendance registrations will be accepted, the place to register for attendance, and other matters for attention.

The time during which shareholder attendance registrations will be accepted, as stated in the preceding paragraph, shall be at least 30 minutes prior to the time the meeting commences. The place at which attendance registrations are accepted shall be clearly marked and a sufficient number of suitable personnel assigned to handle the registrations.

Shareholders and their proxies (collectively, "shareholders") shall attend shareholders meetings based on attendance cards, sign-in cards, or other certificates of attendance. Solicitors soliciting proxy forms shall also bring identification documents for verification.

The Company shall furnish the attending shareholders with an attendance book to sign, or attending shareholders may hand in a sign-in card in lieu of signing in.

The number of shares represented by shareholders attending the shareholders meeting shall be calculated in accordance with the shares indicated by the attendance book or the sign-in cards submitted by the shareholders. The shareholders whose voting rights are exercised by correspondence or electronically are deemed as attending the shareholders meeting in person and their shares should be calculated as well.

Article 3 Attendance at shareholders meetings shall be calculated based on numbers of shares.

Article 4 The venue for a shareholders meeting shall be the premises of the Company, or a place easily accessible to shareholders and suitable for a shareholders meeting. The meeting may begin no earlier than 9 a.m. and no later than 3 p.m.

Article 5 If a shareholders' meeting is convened by the board of directors, the determination of the meeting's chairperson shall be in accordance with Article 208, the paragraph 3 of the Company Act.

When a managing director or a director serves as the chairperson, as referred to in

the preceding paragraph, the managing director or director shall be one who has held that position for six months or more and who understands the financial and business conditions of the company. The same shall be true for a representative of a juristic person director that serves as the chairperson.

If a shareholders' meeting is convened by a party with power to convene but other than the board of directors, the convening party shall chair the meeting. When there are two or more such convening parties, they shall mutually select a chair from among themselves.

Article 6 The Company may appoint its attorneys, certified public accountants, or related persons retained by it to attend a shareholders' meeting in a non-voting capacity. Staff handling administrative affairs of a shareholders meeting shall wear identification cards or arm bands.

Article 7 The Company, beginning from the time it accepts shareholder attendance registrations, shall make an uninterrupted audio and video recording of the registration procedure, the proceedings of the shareholders meeting, and the voting and vote counting procedures.

The recorded materials of the preceding paragraph shall be retained for at least 1 year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the recording shall be retained until the conclusion of the litigation.

Article 8 The chairperson shall call the meeting to order at the appointed meeting time. However, when the attending shareholders do not represent a majority of the total number of issued shares, the chairperson may announce a postponement, provided that no more than two such postponements, for a combined total of no more than 1 hour, may be made. If the quorum is not met after two postponements, but the attending shareholders represent one third or more of the total number of issued shares, a tentative resolution may be passed by a majority of those present and adopted pursuant to Article 175, paragraph 1 of the Company Act.

Article 9 The meeting agenda shall be set by the board of directors or the chairperson and shall be delivered to all of the shareholders and their proxies before the meeting is convened. The meeting shall proceed in the order set by the agenda, which may not be changed without a resolution of the shareholders meeting.

A shareholders meeting shall be conducted in accordance with the Rules and Procedures. If the chairperson declares the meeting adjourned in violation of the Rules of procedure, attending shareholders may elect a new chairperson by agreement of a majority of the votes represented by the attending shareholders, and then continue the meeting.

Article 10 Before speaking, an attending shareholder must specify on a speaker's slip the subject of the speech, his/her shareholder account number (or attendance card number), and account name. The order in which shareholders speak will be set by the chairperson.

Article 11 Except with the consent of the chairperson, a shareholder may not speak more than twice on the same proposal, and a single speech may not exceed 5 minutes. If the shareholder's speech violates the rules or exceeds the scope of the agenda item, the chairperson may terminate the speech.

Article 12 When a juristic person is appointed to attend as proxy, it may designate only one person to represent it in the meeting.

When a juristic person shareholder appoints two or more representatives to attend a shareholders' meeting, only one of the representatives so appointed may speak on the same proposal.

Article 13 After an attending shareholder has spoken, the chair may respond in person or direct relevant personnel to respond.

Article 14 When the chairperson is of the opinion that a proposal has been discussed sufficiently to put it to a vote, the chairperson may announce the discussion closed and call for a vote.

Article 15 Vote monitoring and counting personnel for the voting on a proposal shall be appointed by the chairperson, provided that all monitoring personnel shall be shareholders of the Company.

Vote counting for shareholders meeting proposals or elections shall be conducted in public at the place of the shareholders meeting. Immediately after vote counting has been completed, the results of the voting, including the statistical tallies of the numbers of votes, shall be announced on-site at the meeting, and a record made of the vote.

Article 16 When a meeting is in progress, the chairperson may announce a break based on time considerations.

Article 17 When the Company holds a shareholders' meeting, it may allow the shareholders to exercise voting rights by correspondence or electronic means. When voting rights are exercised by correspondence or electronic means, the method of exercise shall be specified in the shareholders meeting notice.

A shareholder intending to exercise voting rights by correspondence or electronic means under the preceding paragraph shall deliver a written declaration of intent to this Corporation before 2 days before the date of the shareholders meeting. When duplicate declarations of intent are delivered, the one received earliest shall prevail, except when a declaration is made to cancel the earlier declaration of intent.

When a shareholder has exercised voting rights both by correspondence or electronic means and by appointing a proxy to attend a shareholders' meeting, the voting rights exercised by the proxy in the meeting shall prevail.

After a shareholder has exercised voting rights by correspondence or electronic

means, in the event the shareholder intends to attend the shareholders meeting in person, a written declaration of intent to retract the voting rights already exercised shall be made known to the Company, by the same means by which the voting rights were exercised, before 2 business days before the date of the shareholders meeting. If the notice of retraction is submitted after that time, the voting rights already exercised by correspondence or electronic means shall prevail.

A shareholder exercising voting rights by correspondence or electronic means will be deemed to have attended the meeting in person, but to have waived his/her rights with respect to the extraordinary motions and amendments to original proposals of that meeting; it is therefore the Company shall avoid the submission of extraordinary motions and amendments to original proposals.

Except as otherwise provided in the Company Act and in the Company's Articles of Incorporation, the passage of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders. At the time of a vote, for each proposal, the chairperson or a person designated by the chairperson shall first announce the total number of voting rights represented by the attending shareholders, followed by a poll of the shareholders. After the conclusion of the meeting, on the same day it is held, the results for each proposal, based on the numbers of votes for and against and the number of abstentions, shall be entered into the MOPS.

- Article 18 When there is an amendment or an alternative to a proposal, the chairperson shall present the amended or alternative proposal together with the original proposal and decide the order in which they will be put to a vote. When any one among them is passed, the other proposals will then be deemed rejected, and no further voting shall be required.
- Article 19 The chairperson may direct the proctors or security personnel to help maintain order at the meeting place. When proctors or security personnel help maintain order at the meeting place, they shall wear an identification card or armband bearing the word "Proctor."
- Article 20 These Rules and Procedures shall be effective from the date it is approved by the Shareholders' Meeting. The same applies in case of revision.

Appendix 3

Sinyi Realty Inc. **Table of Shareholding Status of Directors**

Shareholding status of directors as of the date of suspension of transfer (March 23, 2021) for shareholders' meeting.

Title	Name	Shares held
Chairperson	Corporate Representative of Sinyi Co., Ltd.: Hsueh Chien-Ping	210,238,285
Vice Chairperson	Corporate Representative of Sinyi Co., Ltd.: Chou Wang Mei-Wen	
Director	Chou Chun-Chi	9,378,622
Independent Director	Hong San-Xiong	0
Independent Director	Jhan Hong-Chih	0
Independent Director	Yen Lou-Yu	0
Independent Director	Lee Yi-Li	0
Total shares held by all directors		219,616,907

Remark:

The Company has established audit committee, and number of independent directors elected at the annual general shareholders' meeting in 2019 exceeds a half of number of total directors; therefore, pursuant to requirements of "Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies", the requirement for a certain minimum percentage of total shares held by all directors shall not apply.

Appendix 4

Sinyi Realty Inc.

Other information

The impact of stock dividend to the Company's operation, EPS, and shareholders' ROI:

Not applied to this section, since the Company did not reveal its financial forecast for 2021.