

2018 Sinyi's corporate governance performance status

Evaluation Items	Facts of performance Description of Summary
I. Does the Company specify and disclose the corporate governance best practice principles in accordance with the "Corporate Governance Best Practice Principles for TWSE/GTSM Listed Companies"?	The Board of Directors of the Company approved the "Corporate Governance Practices Rules", Chapter III: Enhancing the Function of Board of Directors - Section 1: Structure of Board of Directors - Article 20, of Sinyi Realty Inc. in the Board meeting of August 2000 with the newest revision approved in January, 2018, to refine the corporate government system, solidify supervision functions and strengthen the management performance. The Company also periodically reviews the actualization status of the corporate governance and makes improvement accordingly; there has been no major discrepancy status in its execution up to present. the said Rules are also disclosed in the exclusive zone of "Corporate Governance" in the investor relationship website of the Company. (http://www.Sinyi.com.tw/info/company.php)
II. Corporate Equity Structure and Shareholders' Equity	
(I) Does the Company specify internal operation procedures to dispose recommendations, doubts, disputes and lawsuit matters of shareholders, and implement in accordance with such procedures?	(I) The Company specified investor relationship disposition procedures, and dispose shareholder's recommendations, doubts, disputes and lawsuit matters in accordance with such procedures, and periodically reviews the actualization status in accordance with such procedures and improves accordingly; there has been no major discrepancy status in its execution up to present.
(II) Does the Company master the major shareholders in actual control of the Company and the name list of the final controllers of such major shareholders?	(II) The Company keeps close contacts with the major shareholders, and most of the major shareholders directly participate in the operation of the Company; the Company also discloses the shareholding status of the major shareholders in actual control of the Company and the final controllers of such major shareholders in accordance with regulations.
(III) Does the Company establish and execute the risk control and firewall mechanism with the affiliated enterprises?	The operation and finance of the Company and the affiliated enterprises are all operated independently. Besides, such related operation rules as "Rules Governing Transactions with Group Enterprises, Specific Parties and Related Parties" and "Rules Governing Subsidiary Company Supervision Management", etc. are specified, to specify the financial business transactions with the affiliated enterprises and matters required to be supervised.
(IV) Does the Company establish internal specifications to prohibit the internal parties of the Company from trading	The Company establishes the Internal Major Information Disposition Procedures, to specify the prohibition of internal parties from trading securities by taking advantage of the non-opened information in market, and periodically engages in education publicity to the internal parties.

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III. Organization and Functions of Board of Directors (I) Does the Board of Directors prepare diversified guidelines in response to the organization of members and actualize the execution?	<p>(I) The Company's corporate governance guidelines state that the members of the board of directors shall have the knowledge, skills and qualifications necessary for the performance of their duties. The composition of the board of directors shall be considered to be diversified, and the internal directors of the Company shall not be more than one-third. At the same time, the type of business operations and development needs, including but not limited to the following two major aspects:</p> <ol style="list-style-type: none"> 1. Basic backgrounds and conditions values: gender, age, nationality and culture. 2. Professional knowledge and skills: professional background (such as law, accounting, industry related knowledge, finance, marketing or technology), professional skills and industry experience. <p>In order to achieve the ideal goal of corporate governance, the board of directors should have the following capabilities: (1) operational judgment ability; (2) accounting and financial analysis ability; (3) management ability; (4) crisis processing capacity; (5) industry knowledge; (6) the comprehensive of international market; (7) leadership; (8) decision-making ability.</p> <table border="1" data-bbox="548 735 1861 1107"> <thead> <tr> <th data-bbox="548 735 768 855">Diversified core ability</th> <th data-bbox="768 735 857 855">Gender</th> <th data-bbox="857 735 1003 855">Management ability</th> <th data-bbox="1003 735 1126 855">Leadership</th> <th data-bbox="1126 735 1256 855">Industry knowledge</th> <th data-bbox="1256 735 1373 855">Talent education</th> <th data-bbox="1373 735 1503 855">Performance evaluation</th> <th data-bbox="1503 735 1637 855">Accounting and finance</th> <th data-bbox="1637 735 1704 855">Law</th> <th data-bbox="1704 735 1861 855">Environmental protection</th> </tr> </thead> <tbody> <tr> <td data-bbox="548 855 768 879">Director</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td data-bbox="548 879 768 903">Chou Chun-Chi</td> <td data-bbox="768 879 857 903">M</td> <td data-bbox="857 879 1003 903">✓</td> <td data-bbox="1003 879 1126 903">✓</td> <td data-bbox="1126 879 1256 903">✓</td> <td data-bbox="1256 879 1373 903">✓</td> <td data-bbox="1373 879 1503 903">✓</td> <td></td> <td data-bbox="1637 879 1704 903">✓</td> <td data-bbox="1704 879 1861 903">✓</td> </tr> <tr> <td data-bbox="548 903 768 927">Hsueh Chien-Ping</td> <td data-bbox="768 903 857 927">M</td> <td data-bbox="857 903 1003 927">✓</td> <td data-bbox="1003 903 1126 927">✓</td> <td data-bbox="1126 903 1256 927">✓</td> <td data-bbox="1256 903 1373 927">✓</td> <td data-bbox="1373 903 1503 927">✓</td> <td></td> <td></td> <td></td> </tr> <tr> <td data-bbox="548 927 768 967">Chou Wang Mei-Wen</td> <td data-bbox="768 927 857 967">F</td> <td data-bbox="857 927 1003 967">✓</td> <td data-bbox="1003 927 1126 967">✓</td> <td data-bbox="1126 927 1256 967">✓</td> <td data-bbox="1256 927 1373 967">✓</td> <td data-bbox="1373 927 1503 967">✓</td> <td></td> <td></td> <td></td> </tr> <tr> <td data-bbox="548 967 768 1023">Liu Shuen-Zen(Note)</td> <td data-bbox="768 967 857 1023">M</td> <td data-bbox="857 967 1003 1023">✓</td> <td></td> <td></td> <td data-bbox="1256 967 1373 1023">✓</td> <td data-bbox="1373 967 1503 1023">✓</td> <td data-bbox="1503 967 1637 1023">✓</td> <td></td> <td></td> </tr> <tr> <td data-bbox="548 1023 768 1046">Hong San-Xiong</td> <td data-bbox="768 1023 857 1046">M</td> <td data-bbox="857 1023 1003 1046">✓</td> <td data-bbox="1003 1023 1126 1046">✓</td> <td></td> <td data-bbox="1256 1023 1373 1046">✓</td> <td data-bbox="1373 1023 1503 1046">✓</td> <td></td> <td data-bbox="1637 1023 1704 1046">✓</td> <td></td> </tr> <tr> <td data-bbox="548 1046 768 1070">Jhan Hong-Chih</td> <td data-bbox="768 1046 857 1070">M</td> <td data-bbox="857 1046 1003 1070">✓</td> <td data-bbox="1003 1046 1126 1070">✓</td> <td data-bbox="1126 1046 1256 1070">✓</td> <td data-bbox="1256 1046 1373 1070">✓</td> <td data-bbox="1373 1046 1503 1070">✓</td> <td></td> <td></td> <td></td> </tr> <tr> <td data-bbox="548 1070 768 1107">Yen Lou-Yu</td> <td data-bbox="768 1070 857 1107">M</td> <td data-bbox="857 1070 1003 1107">✓</td> <td data-bbox="1003 1070 1126 1107">✓</td> <td data-bbox="1126 1070 1256 1107">✓</td> <td data-bbox="1256 1070 1373 1107">✓</td> <td data-bbox="1373 1070 1503 1107">✓</td> <td data-bbox="1503 1070 1637 1107">✓</td> <td></td> <td></td> </tr> </tbody> </table> <p>Note : Mr. Liu Shuen-Zen, Independent Director, resigned on 2018/7/31 for being the dean of the Department of Accounting at National Taiwan University ("NTU") on 2018/8/1 in accordance with the regulations of NTU. The Company has not made a by-election for this seat.</p> <p>The Corporate Governance Rules of the Company specifies the composition of the members of the Board of Directors should consider gender equality and diversified guidelines. At present, there are 7 directors of the Company in total (including 1 female director), among which, 1 directors were performed Mr. Liu Shuen-Zen, Mr. Hong San-Xiong , Mr. Jhan Hong-Chih and Mr. Yen Lou-Yu. All the independent directors are professionals with important influences on the Company in practical operation, laws, financial accounting, performance evaluation, and talent cultivation development, etc. as independent directors, to provide professional recommendations and supervise the operation status of the management team; the number of independent directors account for more than 1/2 of the whole director number. The total attendance rate of independent directors is as high as 80%. Because the independent director, Mr. Liu Shuen-Zen, who is be assigned as the dean of the</p>	Diversified core ability	Gender	Management ability	Leadership	Industry knowledge	Talent education	Performance evaluation	Accounting and finance	Law	Environmental protection	Director										Chou Chun-Chi	M	✓	✓	✓	✓	✓		✓	✓	Hsueh Chien-Ping	M	✓	✓	✓	✓	✓				Chou Wang Mei-Wen	F	✓	✓	✓	✓	✓				Liu Shuen-Zen(Note)	M	✓			✓	✓	✓			Hong San-Xiong	M	✓	✓		✓	✓		✓		Jhan Hong-Chih	M	✓	✓	✓	✓	✓				Yen Lou-Yu	M	✓	✓	✓	✓	✓	✓		
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	<p>accounting department of National Taiwan University on August 1, 2018 resigned the independent director on July 31, 2018 and there was no by-election for the director. As of March 31, 2019, there are 6 directors (3 independent directors included).</p>																								
<p>(II) The Company, besides establishing Remuneration Committee and Audit Committee in accordance with laws, also voluntarily establish other committees with similar functions?</p>	<p>(II) The Company has established the Nominating Committee. It was to be established agreed by the resolution of the board of directors on October 27, 2018. And the Charter of Nominating Committee is adopted. The Committee is composed of five directors selected by the board of directors from among themselves; a majority, four of the Committee members are independent directors while the other one is the chairperson of the Company;</p> <table border="1" data-bbox="546 948 1727 1286"> <thead> <tr> <th data-bbox="546 948 853 1098">Committees Director</th> <th data-bbox="853 948 1144 1098">Audit Committee</th> <th data-bbox="1144 948 1435 1098">Compensation Committee</th> <th data-bbox="1435 948 1727 1098">Nominating Committee</th> </tr> </thead> <tbody> <tr> <td data-bbox="546 1098 853 1134">Liu Shuen-Zen</td> <td data-bbox="853 1098 1144 1134">✓</td> <td data-bbox="1144 1098 1435 1134">✓</td> <td data-bbox="1435 1098 1727 1134">✓</td> </tr> <tr> <td data-bbox="546 1134 853 1171">Hong San-Xiong</td> <td data-bbox="853 1134 1144 1171">✓</td> <td data-bbox="1144 1134 1435 1171">✓(Chairperson)</td> <td data-bbox="1435 1134 1727 1171">✓</td> </tr> <tr> <td data-bbox="546 1171 853 1208">Jhan Hong-Chih</td> <td data-bbox="853 1171 1144 1208">✓</td> <td data-bbox="1144 1171 1435 1208">✓</td> <td data-bbox="1435 1171 1727 1208">✓</td> </tr> <tr> <td data-bbox="546 1208 853 1244">Yen Lou-Yu</td> <td data-bbox="853 1208 1144 1244">✓(Chairperson)</td> <td data-bbox="1144 1208 1435 1244">✓</td> <td data-bbox="1435 1208 1727 1244">✓(Chairperson)</td> </tr> <tr> <td data-bbox="546 1244 853 1286">Chou Chun-Chi</td> <td data-bbox="853 1244 1144 1286">-</td> <td data-bbox="1144 1244 1435 1286">-</td> <td data-bbox="1435 1244 1727 1286">✓</td> </tr> </tbody> </table> <p data-bbox="573 1315 2063 1378">Note 1: Independent Director Liu Shuen-Zen resigned on 2018/7/31, and Mr. Yen Lu-You has been selected as the convener of Audit committee.</p> <p data-bbox="573 1390 2040 1453">Note 2: Mr. Yen Lu-You, original convener of Nomaniting Committee, was selected as current convener of Audit committee, and therefore Mr. Jhan Hong-Chih now served as convener of Nomaniting Committee.</p>	Committees Director	Audit Committee	Compensation Committee	Nominating Committee	Liu Shuen-Zen	✓	✓	✓	Hong San-Xiong	✓	✓(Chairperson)	✓	Jhan Hong-Chih	✓	✓	✓	Yen Lou-Yu	✓(Chairperson)	✓	✓(Chairperson)	Chou Chun-Chi	-	-	✓
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Chou Chun-Chi	-	-	✓																						

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<p>(III) Does the Company establish performance rules and evaluation methods of the Board of Directors, and periodically engages in performance evaluation every year?</p>	<p>The Committee shall convene at least once a year, and the Committee shall exercise the due care of a good administrator to faithfully perform the following duties and shall submit its proposals to the board for discussion:</p> <ol style="list-style-type: none"> (1) Laying down the standards of independence and a diversified background covering the expertise, skills, experience, gender, etc. of members of the board, supervisors and senior executives, and finding, reviewing, and nominating candidates for directors, supervisors, and senior executives based on such standards. (2) Establishing and developing the organizational structure of the board and each committee, and evaluating the performance of the board, each committee, and each director and senior executive and the independence of the independent directors. (3) Establishing and reviewing on a regular basis programs for director continuing education and the succession plans of directors and senior executives. (4) Establishing corporate governance guidelines of the Company. <p>Related rules and the evaluation are revealed in the investor relationship website of the Company. (http://mops.twse.com.tw/mops/web/t100sb03_1)</p> <p>(III) The Company has established “Regulations on Performance Evaluation of the Board of Directors” on December 29th in 2015 and the Company will issue self-evaluation questionnaire to all board members from 2016. By means of performing the performance evaluation of the Board of Directors periodically every year, by requesting each director to complete evaluation for previous year in such aspects as the operation, culture, internal/external relationship operation, self-evaluation in terms of the Board of Directors, for the conference unit/department of the Board of Directors to collect and compile them and report such in the board meeting and propose the direction of further improvement. In the questionnaire, the part 【Summary and description of BOD overall self-evaluation】 covers five aspects: (1) Participation into the Company's operation, (2) Quality promotion for the BOD's decision making , (3) The composition and structure of the BOD, (4) The directors' election and continuous advanced study, (5) Internal control; while in the other part 【Summary and description of self-evaluation of individual director of the Company's BOD】 reveals six evaluations: (1) The grasp of the Company's targets and missions, (2) Identification of the director's obligation, (3) Participation into the Company's operation, (4) Internal relationship management and communication, (5) The BOD members' profession and continuous advanced studies, (6) Internal control. After the questionnaires are fully recovered, the latest report of the board of directors will be submitted and suggestions for improvement will be proposed for the areas that can be strengthened. In the self-evaluation questionnaire of 2017y and 2015y, the evaluation has achieved an average score of 4 points (Agreement) - 5 points (strongly agree) between the directors on behalf of the Directors. There is certain degree of recognition for the current operation of the Company's board of directors. The “Procedures of Performance Evaluation of Directors” which stated the Board of Directors shall conduct self-evaluation at least once a year and shall engage an external independent professional institution or a panel of external experts and scholars to conduct triennial performance evaluation of the Board of Directors. Internal and external board performance evaluations shall be completed before the first board meeting held in the following year.</p>

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	<p>The latest performance evaluation of directors for 2018 year has just engaged a panel of external experts to conduct. The 2018 performance evaluation of the Company's board of directors reveals 【Summary and description of BOD overall self-evaluation】 with 9 dimensions by 89 questions: (1) Constitution of an effective board, (2) Effective operation of board, (3) Professional development and training, (4) Corporate foresighting, (5) Performing duties, (6) Management of management level, (7) Creation of culture of the Company, (8) Communication with the stakeholders, (9) Performance evaluation; while in the other part 【Summary and description of self-evaluation of individual director of the Company's BOD】 reveals six evaluations by 27 questions: (1) The grasp of the Company's targets and missions, (2) Identification of the director's obligation, (3) The BOD members' profession and continuous advanced studies, (4) Performance of duties, (5) Participation into the Company's operation, (6) Internal relationship management and communication. The average score obtained was between: "Good" and "Excellent" and was reported to the board of directors on January 25, 2019. The Company will use this assessment as an important reference to strengthen the board's functions.</p> <p>The improvement goals:</p> <ol style="list-style-type: none"> 1. To nominate a new young or female Board member candidate who could be femilar with the property industry. 2. To plan for the based on the current Sinyi's strategy for purpose of utmost function. 3. To incese the Board members' participation in process of the satragy and material decision making. Such as to arrgange a seminar or invite the independent director to the internal important meeting. <p>We will take this evaluation result as the reference to improve the board efficiency, and will nominate a youg female candidate as our new Board member. Also, we will provide a list of the Board training for Board meeting's discussion and approval.</p> <p>Related rules and the evaluation are revealed in the investor relationship website of the Company. (http://www.Sinyi.com.tw/info/i_1_2_directors.php)</p>
(IV)Does the Company periodically evaluate the independence of the certified public accountant?	<p>The Company evaluate the independence in the certified public accountant (CPA) at least once a year when the Company re-engages CPA each year, the Finance Department evaluates if such accountant conforms to the related regulations of independence and competency by the "Accountant Competency, Independence Evaluation Checklist" listing the independence evaluation items with reference with the Article 47 of Certified Public Accountant Act and No. 10 of the Bulletin of Norm of Professional Ethics for Certified Public Accountant "Integrity, Objectivity and Independence". After obtaining the independence statement of the CPA intended to be appointed, the Finance Division submitted the evaluation result to the Audit Committee and the Board of Directors for discussion, to serve as the reference of appointing the accountant. (The latest yearly "Accountant Competency, Independence Evaluation Checklist" have been reported to the Company BOD on February 26, 2018 and February 25, 2019. The 2019 yearly result was shown on page 3-86.)</p>
IV. Does the Company have dedicated (or	(I) Mr. Chen, Chih-Huan, senior manager of Finance Department of the Company, with the CPA license of R.O.C. and more than three years experiences of financial management in public limited company is the specialist to be responsible for

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<p>non-dedicated) divisions or personnel responsible for corporate governance issues (including but not limited to the preparation for the materials required for directors and supervisors, convening of the meetings for directors and shareholders according to relevant laws and regulations, registration of companies and changes to registration details, compilation of meeting minutes for board meetings and shareholders' meetings)?</p>	<p>corporate governance issues. The duty of the specialist is the convener to deal with the corporate governance affairs which include :</p> <ol style="list-style-type: none"> (1) Prepare for the materials required for directors, and provide hard copies of meetings to the directors; (2) Assist for the inauguration and lessons of the directors; (3) Assist for the directors to compliance related laws and regulations; (4) Ensure the directors to catch the major informations immediately and inform them as soon as possible after issuing major messages; (5) To enhance the professional ability of each director,providing the information provided by Real Estate Planning & Research Office daily,the industry dynamics quarterly and the related seminar for the independent directors; (6) Arrange and deal with the schedule of of convening the board meetings and shareholders' meetings; (7) Deal with the registration of companies and changes to registration details; (8) Make meeting records for the board meetings and function-committee meetings after the end of meetings twenty days; (9) Arrange the inspection activities to the material operatiog units and subsidiaries for the directors; (10) Assist the Board and each functional committes to take a self-eveulation each year and external eveualtion each three year; (11) Supervise and enhance the actual corporate governance issues; (12) Convene investor conferences; (13) Treat the investors and reply the queries asked by them and announce the results of corporate governance issues; (14) Implement related corporate governance issues according to the articles of incorporation and contracts. <p>(II) The business promotion situation as below are reported to the board related to the corporate governance issues, and already reported the business promotion situation for 2017 and schedule for 2018 to the board in March, 2018.The business promotion situation for the year 2018 is as follows:</p> <ol style="list-style-type: none"> (1) In order to ensure that the members of the board are informed of the Company's major information immediately, the Company immediately informs the board members after issuing major messages; (2) Conduct 6 hours training courses for board members at the Company; (3) Purchase the liabilities insurance of the Company for its directors and managers, and the most recent insurance for all directors is with an insured amount of US\$3,000 (approximately NT\$96,000), and a period of insurance of 07/15/2018~07/15/2019; (4) Assist to arrange to convene meetings for the communications between independent directors, Certified Public Accountants and the internal audit head from time to time. The meeting was convened once in the year of 2018 to implement the internal control system. A summary of the communication is available on the Company's website and as following: <ol style="list-style-type: none"> i. Besides the implentment situations of audit plan should be reported to the audit committee quarterly, and the audit reports should be reported during each audit committee.The relevant content are recorded in the meeting records;

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	<p>ii. Besides the internal audit department reported to the audit committee ,the other communications reported to the independent directors in 2018 as following:</p> <table border="1" data-bbox="685 221 1792 483"> <thead> <tr> <th data-bbox="685 221 875 296">Date</th> <th data-bbox="875 221 1189 296">Communication Group</th> <th data-bbox="1189 221 1792 296">Communication issues</th> </tr> </thead> <tbody> <tr> <td data-bbox="685 296 875 483">2018/10/29</td> <td data-bbox="875 296 1189 483">Audit committee 、 Certified Public Accountants and internal audit department</td> <td data-bbox="1189 296 1792 483">Communicate next year audit plan ,enhance the efficiency of implentment internal auditing and using audit resources, internal controll 。</td> </tr> </tbody> </table> <p>(5) The Online Conference for investors will be held at least four times in a year. In 2018, the meetings were held by four times individually: in March, May, August and the early November. Meanwhile the meeting records were all displayed on the Company's website for investors to replay. (http://www.Sinyi.com.tw/info/i_4_1_news.php);</p> <p>(6) To ensure the implementation of the ethical practice, the Company's "Ethical Corporate Management Best Practice Principles" stipulates that at least once a year, the Company shall report to the board of directors on the implementation of the plan to promote integrity management. The head of Corporate Ethics Office have reported to the BOD on December 20, 2018 in representative of "TEM Committee" (Corporate Ethics Promotion Committee);</p> <p>(7) The main point and implentment situations of audit committee in 2018 as follows:</p> <p>i. Guide the major events of risk and implentment situations of subsidiaries: Besides the audit committee guide the each audit summary item by item, the directors guiding meeting was convened to guide the operatiog and internal control of subsidiaries.</p> <p>ii. Guide the Financial Department to build a financial model: As the diversity of operating in Sinyi Group and frequent oversea fund procurement, audit committee guide the Financial Department to recheck the control procedure of financial riskes ,build a financial model to monitor the financial rikses and calculate the results to report the the audit committee and the board.The financial model project is reported to the audit committee on August 29,October 29 and December 20,2018.</p> <p>iii. Visit oversea subsidiaries: In order to allow the directors to understand the Company's practical operations, the Company arranged their visit to the Company's major subsidiaries in Mainland China, Sinyi Real Estate (Shanghai) Limited, Shanghai Sinyi Real Estate Inc and Jiu Xin Estate (Wuxi) Limited, in October of the year 2018.</p> <p>(8) Assisting Remuneration Committee to set-up and review the policy of senior officers' compensation Except for regularly examination of the policy of senior officers' compensation, the Company has regulation regarding review of long-term value performance which requires the senior officer to provide a annul proposal of his/her long-term value based on the 3 topic and 4 demension of Sinyi group's long-term strategy for Remuneration</p>			Date	Communication Group	Communication issues	2018/10/29	Audit committee 、 Certified Public Accountants and internal audit department	Communicate next year audit plan ,enhance the efficiency of implentment internal auditing and using audit resources, internal controll 。
Date	Communication Group	Communication issues							
2018/10/29	Audit committee 、 Certified Public Accountants and internal audit department	Communicate next year audit plan ,enhance the efficiency of implentment internal auditing and using audit resources, internal controll 。							

Evaluation Items	Facts of performance Description of Summary
	<p>Committee’s review. Remuneration Committee will further provides the comments in accordance with each proposal.</p> <p>(III) Internal training regarding Cooperate Governance</p> <p>(1) Finance Department would express our conduct in aspect of Cooperate Governance in the major occasion, which make them understood the concept and importance of Cooperate Governance</p> <p>(2) We strive for a “zero violation” policy for the insider trading. In addition to the regular notice to require the insider to disclosure their changes in the shareholding, the Finance Department would share information of updated regulation and violation case with the insider. Furthermore, the Finance Department will regularly host the internal training for the trading issue.</p> <p>(IV) Appointment of Chief Cooperate Governance Officer</p> <p>To improve the matter related to the Cooperate Governance, though we did not need to meet the requirement to have a Chief Cooperate Governance Officer, our Broad meeting on April 8, 2019 appointed Mr. Chen Chih-Huan, Senior Manager of Finance Department, as our Chief Cooperate Governance Officer. Upon approved by the Broad, the Cooperate Governance Officer shall at least take 18 hours training as required by the competent authority at the first when taking on the duty, and 12 hours on-going training per each year. The new Chief Cooperate Governance Officer is going to take below the course in 2019, including, “the financial crisis alarming and case analysis”, “enterprise strategy and key indicator of performance”, “enterprise finance information analysis and strategy application”, “the practical case of financial crisis and management strategy”, “the security issue of information system and discuss governance approach” and “employee bonus strategy and the relevant application”. His main responsibilities are as listed in the above.</p>
<p>V. Does the Company establish communication channel of the stakeholders (including but not limited to shareholders, employees, customers, supplier, etc.), and establish an exclusive zone of the stakeholders in the Company’s website, and properly respond the important issues of corporate social responsibility concerned by the stakeholders?</p>	<p>The Company builds a “stakeholders zone” on its official website and discloses on it the way of appeals for stakeholders. The Company establishes “Rules Governing the Recommendations and Appeal of the Stakeholders to the Audit Committee” and provides an Audit Committee appeal and recommendation mailbox in the Company’s website, to facilitate a commendable communication channel for the stakeholders and independent directors of the Company. (http://www.Sinyi.com.tw/about/stakeholder.php)</p>

Evaluation Items	Facts of performance Description of Summary			
	Stakeholder	Main focus	Corporate communication and response channel	Response strategy and measures
	Customers	Service Quality and Innovation. Customer Private Protection	Contact: Customer hotline: (0800) 211922 Sinyi Realty/Sinyi Realty Home & Lifestyle Services/Sinyi's Corporate Sustainability website; Fans groups for Sinyi Realty/ Sinyi Realty Home & Lifestyle Services; Sinyi bimonthly journal; Customer outreach; Customer feedback channels	<ul style="list-style-type: none"> ● Enhancement of efforts in catchment areas with better services to customers ● Outreach to customers who have purchased their properties via Sinyi ● Customer care personnel respond in real-time via phone and the Internet to needs and questions from customers. Meanwhile, we have established the Department of Customer Services to ensure the level of our services. The purpose is to conduct audits and confirmation on the implementation of customer-care policies, handle customer complaints and assist front-line sales personnel in responding, in a proactive manner and whenever necessary. ● We have updated our audit system on service quality in order to boost customers' satisfaction. In 2018, we have renewed our survey methodology on customer satisfaction. We also performed two phone calls within five months of the completion of property purchase so as to gauge customers' satisfaction.
	Colleagues	Career Planning Workplace Health and Safety	Contact: Internal meetings, internal communication platforms, letterbox for employees, department service hotline, labor relations meetings, EAP support to colleagues, Sexual Harassment Prevention Hotline 1234, feedback on training curricula, internal questionnaire surveys	<ul style="list-style-type: none"> ● Talent development to increase the success rate for new hires to pass the probation period. ● Health/childbirth grant/travel/clubs/annual leaves/peer support/birthday, wedding and funeral grants/retirement, etc.The information of employee benefits are shown on the company website and page 6-23. ● The information about safety and health of work environment are shown on page 6-30.

Evaluation Items	Facts of performance Description of Summary			
	Shareholders	Market Image Corporate Governance Operation Performance Labor Relations Regulation Compliance	Contact: 02-2755-7666#2678 Ms. Yang Shareholders' meetings, online analysts' meetings, annual reports, telephone number of the spokesperson or deputy spokesperson, mailbox or letterbox for investors, webpages for investor relations, mailbox for complaints to Audit Committee and stakeholders' relations	<ul style="list-style-type: none"> ● At least four analysts meetings per year. ● Release of quarterly financials before the statutory deadlines ● In addition to the disclosure on Market Observation Post System and Sinyi's official website, the announcement of major events may be accompanied with press releases or press conferences if necessary. ● Upon the receipt of written questions from investors, IR officers usually reply. A summary of all the questions from investors and responses from IR is forwarded to the board on an annual basis. ● Management seeks to enhance the effectiveness of the board with timely delivery of information, convening of meetings and arrangement of directors' visits.
	Society	Enterprise External Operation; Enterprise's Society Impact.	Contact: 02-2755-7666#2331 Ms. Huang ; We are one project/Sinyi Academy website; Sinyi's Facebook group pages; seminars for industry professionals, academics and government officials; public hearings on laws and regulations; policy talks; workshops on real estate taxations; Sinyi's recruitment site, hot line and mailbox; press conferences	<ul style="list-style-type: none"> ● Import the London Benchmarking Group (LBG) to carry out systematic analysis which is pass the LBG verified. ● We continue our efforts with communities in the pursuit of social welfare. ● Sinyi culture foundation won the "Best Performance of Social Inclusion Award" from TCSA by "Dr. Red Nose Program" in 2018. ● We set up Sinyi video data base of Community Capacity Building Project shows total of 2,179 dreams that has come true. ● Sinyi School launched over 100 courses related to the culture, living quality and community relationship. ● Served as society gathering site, we acquired a certification for "AED Safe Place" and "Excellent Breastfeeding Room" ● Please see Page 4-1 for the further information.
	Environment	Regulation Compliance. Energy Conservation and Carbon Reductions External Environment Protection	Contact: 02-2755-7666#8153 Ms. Chen Green procurement, Sinyi Corporate Sustainability mailbox and webpages .Sinyi's Corporate Sustainability website.	<ul style="list-style-type: none"> ● We continue our efforts in energy conservation and carbon reduction, and Broadcast to the public the importance of doing so. ● In 2018, we managed to reduce 24% carbon footprint (compared with 2015) and accumulatively 45% or so in carbon emissions from electricity consumption per capital (compared with 2010). ● Award from the Environmental Protection Administration of low carbon service. ● In 2018, we managed to reduce 16.37% the usage of water per person (compared with 2014).

Evaluation Items	Facts of performance Description of Summary			
	Suppliers	Green Procurement Procurement ethics	Contact: 02-2755-7666#8154 Ms. Liu Hold the meeting with Supplier	<ul style="list-style-type: none"> ● 100% of our suppliers have signed human right clauses with us. ● In 2018, we conducted audits on 347 suppliers, i.e. 89.7% of our suppliers. All of the suppliers we audited last year passed our assessment. ● Performing on-site audit 537 times to main suppliers. ● Create the self-evaluation sheet of corporate social responsibility and sheet of visit feedback to deepen the supply chain management.
VI. Does the Company appoint a professional stock affair handling agency to process the affairs of shareholders' meeting?	The Company appoints Capital Securities Corporation to process the related affairs of shareholders' meeting.			
VII. Transparent Information Disclosure				
(I) Does the Company set up a website to disclose the financial business and the corporate governance information?	(I) The Company discloses the related finance, business and stock affair information of the Company in the investor relationship website of the Company's website, and an exclusive zone of corporate governance is provided to describe the related statutes system and execution status (http://www.Sinyi.com.tw/info/company.php).			
(II) Does the Company adopt other information disclosure methods (such as setting up an English website, designating exclusive personnel to be in charge of the corporate information collection and disclosure, actualizing the speaker system, institutional investor conference process placement in the Company's website, etc.)?	(II) The Company sets up an English website of investor relationship and provides comprehensive financial information the same as Chinese website of investor relationship, to facilitate foreign investors to acquire the same information as domestic investors, and further upgrade the international visibility and information transparency. (http://www.Sinyi.com.tw/info/company-en.php) The Company's website (www.Sinyi.com.tw) is operated by such departments as finance, public affair, and business research office, etc., in charge of collecting related information for exclusive personnel to be in charge of processing such related matters as disclosing, etc. the Company also provides a speaker system which the spokesperson and deputy spokesperson are responsible for the make external statements and clarifications. The Company has the online conference with investors at least per quarter and the conferences were held in March, May, August and November in 2018. Related information including the content of presentation and the online recording file are provided in the investor relationship website of the Company. (http://www.Sinyi.com.tw/info/company.php)			
VIII. Does the Company have	(I) Employee Interests and Employee Concern:			

Evaluation Items	Facts of performance Description of Summary
<p>other available important information helpful to understand the corporate governance and performance status (including but not limited to employee interests, employee concern, investor relationship, supplier relationship, rights of stakeholders, advanced study status of directors and supervisors, execution status of risk management policy and risk measurement standard, execution status of client policy, the status of purchasing liability insurance of the Company for its directors and supervisors, etc.)?</p>	<p>The Company towards its internal colleagues, besides providing related interests, also provides professional consultant service to its colleagues and family members. In response to individual demands, such consultancy services concerning work career, family paternity, emotion between two genders, physical/mental stress, law, finance and medical issues, etc. are provided, to assist each colleague to possess balanced work and life. As to the external parties, through such organization or group as Sinyi Cultural Foundation, Sinyi Charity Organization, Sinyi Volunteer, etc., the Company encourages colleagues to actively participate in public social welfare activity services, to feed back the community. The Company also provides employees a good communication channel, to assist them to engage in bilateral communication with the management and directors. In addition, the Company also holds an organization recognition investigation and supervisor leadership style questionnaire investigation each year, so as to explore the aspects for further improvement, and increase the interaction opportunities between the managerial level and colleagues.</p> <p>(II) Investor Relationship:</p> <p>The initial principle of solidifying the corporate governance mechanism is to protect the shareholders equity and treat all shareholders in a fair manner. the Company has adopted some measures as below:</p> <ol style="list-style-type: none"> 1. Bringing forward of announcement of audited/ reviewed financial statements: The Company has announced its reviewed quarterly financial statements within one month after the end of the quarter (the statutory time limit: within 45 days) and announced its audited annual financial statements no later than the end of February next year. (The statutory time limit: no later than the end of March next year). 2. Adjusting the date and time of annual shareholders' meeting. The Company avoids convening its annual shareholders' meeting at hot date. The annual shareholder's meeting is held before end of May. In addition, the starting time of the meeting will be adjusted to 9: 30 AM for the sake of convince of the shareholders attending the meeting from far away. 3. Providing English business and financial information: The Company issued English financial statements from 2010, announced Chinese and English material information at the same time from 2011, built the English website of investors in 2014 and provided shareholders with English annual report and shareholders' meeting handbook from 2015. 4. From 2012, at the time of a vote, for each proposal, the chairperson first announces the total number of voting rights represented by the attending shareholders, followed by a poll of the shareholders. Election of directors has been conducted in accordance with the candidate nomination system. 5. Since 2009, the Company provides shareholders to exercise voting rights in electronic manner for the annual meeting of shareholders, as one of the few leading domestic TWSE/GSTM-listed companies in using shareholders' meeting communication voting platform. 6. The Company periodically convenes online institutional investor conference since 2009. 7. Upon convening a shareholders' meeting, it also makes efforts to avoid presenting an extraordinary motion proposal, to maintain the interests of the shareholders using the e-communication voting system. The minutes of shareholders' meeting are also displayed in the Company's website.

Evaluation Items	Facts of performance Description of Summary
	<p>(III) Supplier Relationship:</p> <ol style="list-style-type: none"> 1. The purchase personnel of the Company would jointly with the purchase requisition unit/department from time to time engage in evaluation on service quality, delivery schedule, and price of a supplier, and in accordance with the evaluation result establish a qualified supplier database. 2. Concerning the suppliers with outstanding result, a price negotiation and tendering would be provided in priority, to ensure quality and reduce the purchase cost of the Company. 3. In order to actualize the protection of human rights, it would also extend to the suppliers in close transactions with the Company, by taking initiative to invite them to sign a human right contract, to respect the basic labor human right protection of their employees. 4. The Company also established the “Ethical Guideline Governing the Purchase Work of Sinyi Group and Its Affiliated enterprises” in 2014, requesting the personnel involving in purchase of each unit/department to faithfully observe the said Guideline. In addition, “Normal Operation Behavior Specification of Sinyi Conglomerate” is also newly established, by issuing notes to the qualified suppliers to sign and faithfully observe the said specification, in order to seek for the supplier partners recognizing faithful operation. <p>(IV) Rights of Stakeholders:</p> <p>The Company through judgment deems the major stakeholders to be clients, colleagues, shareholders, state and community, natural environment; as concurrent consideration and balance of the interests of the stakeholders has always been the objective of the Company, during internal proposals and discussions of major issues, it is required to engage in evaluation vs. the impacts on the major stakeholders, to ensure the interests balance of the stakeholders. Besides, the Company also provides Audit Committee appeal and recommendations mailbox in the Company’s website, to facilitate the stakeholders of the Company a channel to reflect their comments to the independent directors, to maintain their interests. the related descriptions in detail are shown in page 72, the description of the general status of fulfilling the corporate social responsibility.</p> <p>(V) Advanced Study Status of Directors:</p> <p>The Company’s independent directors and directors already fulfilled at least 6 hours each of the 2018 advanced study program for directors while details are revealed as below:</p>

Evaluation Items	Facts of performance Description of Summary						
	Title/ Name	Date of Advanced Study		Organizer	Name of Program	Hour	Whether the advanced study conforms to regulations (Note 1)
From		To					
	Chou Chun-Chi, Chairperson	08/27/2018	08/27/2018	Taiwan Corporate Governance Association	Market overview and future trends in Malaysia.	3	Yes
		10/08/2018	10/08/2018		Investment in Southeast Asia-The landscape of real estate industry in Malaysia.		
	Legal representative of Sinyi Co., Ltd.: Chueh Chien-Ping Vice Chairperson	08/27/2018	08/27/2018	Taiwan Corporate Governance Association	Market overview and future trends in Malaysia.	3	
		10/08/2018	10/08/2018		Investment in Southeast Asia-The landscape of real estate industry in Malaysia.	3	
	Legal representative of Sinyi Co., Ltd.: Chou Wang Mei-Wen, Director	08/27/2018	08/27/2018	Taiwan Corporate Governance Association	Market overview and future trends in Malaysia	3	
		10/08/2018	10/08/2018		Investment in Southeast Asia-The landscape of real estate industry in Malaysia.	3	
	Hong San-Xiong Independent	02/22/2018	02/22/2018	Taiwan Securities Association	Financial crisis prediction and type analysis.	3	

Evaluation Items	Facts of performance Description of Summary						
	Director	03/07/2018	03/07/2018		The strategy of employee performance appraisal and use of tools.	3	
	Jhan Hong-Chih Independent Director	10/04/2018	10/04/2018	Taiwan Securities Association	The trend and challenge of Information Security Governance.	3	
		12/07/2018	12/07/2018	Taiwan Corporate Governance Association	The developing strategy of innovation technology service - Discussion in the development of Line.	3	
	Yen Lou-Yu Independent Director	08/27/2018	08/27/2018	Taiwan Corporate Governance Association	Market overview and future trends in Malaysia.	3	
		09/04/2018	09/04/2018	Taiwan Academy of Banking and Finance	The workshop of supervisor in trust industry.	6	
		10/02/2018	10/02/2018	Taiwan Corporate Governance Association	Revision issues and unfinished agenda of Company Act.	3	
		10/08/2018	10/08/2018		Investment in Southeast Asia-The landscape of real estate industry in Malaysia.	3	
Note 1: Indicates if it conforms to the required number of hours of advanced study, scope of advanced							

Evaluation Items	Facts of performance Description of Summary														
	<div data-bbox="562 150 1977 261" style="border: 1px solid black; padding: 5px; margin-bottom: 10px;"> <p>study, system of advanced study, arrangement of advanced study and information disclosure specified in the “Key Points of Promoting Advanced Study for Directors and Supervisors of TWSE/GTSM-listed Companies”.</p> </div> <p>(VI) Status of Advanced Study of Managers:</p> <table border="1" data-bbox="589 336 1686 820"> <thead> <tr> <th data-bbox="589 336 763 411" rowspan="2">Title/ Name</th> <th colspan="2" data-bbox="763 336 1133 368">Date of Advanced Study</th> <th data-bbox="1133 336 1346 411" rowspan="2">Organizer</th> <th data-bbox="1346 336 1563 411" rowspan="2">Name of Program</th> <th data-bbox="1563 336 1686 411" rowspan="2">Hour</th> </tr> <tr> <th data-bbox="763 368 949 411">From</th> <th data-bbox="949 368 1133 411">To</th> </tr> </thead> <tbody> <tr> <td data-bbox="589 411 763 820">Chief Accountant Lin Chiu-Chin</td> <td data-bbox="763 411 949 820">10/11/2018</td> <td data-bbox="949 411 1133 820">10/12/2018</td> <td data-bbox="1133 411 1346 820">Accounting Research and Development Foundation</td> <td data-bbox="1346 411 1563 820">Continuing education program of principal accounting officers of issuers, securities firms, and securities exchanges</td> <td data-bbox="1563 411 1686 820">12</td> </tr> </tbody> </table> <p>(VII) Execution status of risk management policy and risk measurement standard: The Company already establishes risk management policy and procedures, and periodically reviews the execution status of risk management; please refer to page 8-5.</p> <p>(VIII) Establishment of the disposition procedures governing internal major messages: In order to establish a commendable internal major information disposition and disclosure mechanism of the Company, avoid improper information disclosures, and ensure conformity and correctness of the information released by the Company to external parties, the Company already in accordance with the guideline examples proclaimed by the competent authorities establishes the “Internal Major Information Disposition Procedures” of the Company, and performs publicity to its employees, managers and directors in due time, to avoid them from violating laws or insider trading matters.</p> <p>(IX) Execution status of client policy: Besides setting up a telephone and network online client service center to respond to the requirements and questions of clients at all times, in order to strengthen the high concern level of client service, the “Client Service Department” takes initiative in performing non-scheduled checks and confirmations of the execution status of client policies, accepting the complaints and dispositions of clients, and assisting the first-line business colleagues in handling client complaint cases,</p>	Title/ Name	Date of Advanced Study		Organizer	Name of Program	Hour	From	To	Chief Accountant Lin Chiu-Chin	10/11/2018	10/12/2018	Accounting Research and Development Foundation	Continuing education program of principal accounting officers of issuers, securities firms, and securities exchanges	12
Title/ Name	Date of Advanced Study		Organizer	Name of Program				Hour							
	From	To													
Chief Accountant Lin Chiu-Chin	10/11/2018	10/12/2018	Accounting Research and Development Foundation	Continuing education program of principal accounting officers of issuers, securities firms, and securities exchanges	12										

Evaluation Items	Facts of performance Description of Summary
	<p>by self-assuring it as an internal “Consumers’ Foundation” of the Company, to duly perform the work of maintaining client’s interests. Besides, Client Service Department also, through the satisfaction level investigation mechanism and various audit systems, continues to improve and better the service quality of the Company. Client Service Department provides a 24-hour online client service system which was granted the award of “The Best Client Service Center” in the “Grand Assessment of 2014 Taiwan Service” conducted by “Commercial Times”. In 2017, we adjusted the satisfaction survey method. From the same year onwards, it also added two new satisfaction visits to the buyer's customer five months after the completion of the transaction because of our care about the customer's housing situation. Subsequent, we may assist the customer in resolving any problem they met for the house purchased at our soonest. We expect to improve industrial service standards with more stringent standards and more attentive services.</p> <p>(X) Status of purchasing liability insurance of the Company for its directors: The Company already purchases liability insurance for its all directors, as the total insurance amount is US\$3,000 thousand and the insurance coverage period starts from July 15, 2018 to July 15, 2019.</p> <p>(XI) Our company participates for the 5th time in the corporate governance system evaluation held by Taiwan Corporate Governance Association and passed the corporate governance evaluation of the advanced version of CG6008 in January 2014 (from CG6006 on, the validity of this certificate shall last two consecutive years). We continue to review and improve our corporate governance practices by following the corporate governance evaluation metrics designed by the Taiwan Stock Exchange Corporation. In 2018, we did not commission any professional institutes to assess our corporate governance system or take part in the corporate governance system evaluation held by Taiwan Corporate Governance Association.</p>

IX. Please state the improvements made up to date according to the corporate governance assessment of the most recent years by Corporate Governance Center of the Taiwan Stock Exchange Corporation and propose the proprieties and measures for areas not yet addressed:

In 2018, we were ranked as the top 5% of the listed companies among 843 evaluated public-issued companies in the 4th year of corporate governance assessment by the Taiwan Stock Exchange. This was the third time we received this recognition. During the 4th year of the assessment, we failed to score on three items in the set of general questions: the lack of planned disclosure of details to remunerations to individual board members. Meanwhile, we did not qualify according to the list of advanced questions for extra scores (such as the establishment of Nomination Committee, over 1/3 of the board members being female, the contract signing with employees as a group, the voluntary disclosure of financial forecasts, voluntary participation in other corporate governance evaluations and hence certifications). Other than the abovementioned issues, we did not fail any other scores due to specific reasons.

We will continue to seek improvements. Besides we already have disclosed the remunerations to individual directors in this annual report of 2017, we also plan to nominate young female directors to increase the diversity of the Board during the election of 2018 when the expiration of the twelfth session of the board.