

Sinyi Realty Inc.

Audit Committee's communications with the chief internal auditor of 2022

Date	Mode	Issues to communicate	Comment from the independent directors
01/27/2022	Audit Committee	Report on performance in internal audit	Noted.
02/25/2022	Forum	1. Refinement and systematic reporting of internal control self-assessment work 2. Communication between the Audit Committee and CPA about the results of the audit of 2021 financial statements	1. Committee Members affirm that the internal control self-assessment work is systematically implemented as correct, and the implementation details, such as the five-point scale of the self-assessment score, can be re-examined and adjusted in a timely manner. 2. CPA report to Committee Members the results of the audit of the 2011 financial statements.
		Report on performance in internal audit	3. The Chairperson asked if the team of Project "ShanshuiJiating" had adjusted the operating procedures to get the information from the buyer for his or her application for the certificate of real estate ownership. The Chairperson also asked about the failure of the resigned colleagues of the subsidiary to notify the information unit immediately. Committee Member Mr. Zhan Hong-Chih also stated that the human resources unit should be responsible for confirming that the resigned colleagues have completed the relevant resignation procedures of each department, especially the account should be closed immediately. 4. The Audit Office stated that it would review and assist relevant units to formulate better control points or operating procedures to avoid the above situation.
	Audit Committee	Discussion on representation of internal control system for 2021	The proposal was passed after the Chairperson consulted all the members present without any other opinion, and then was proposed to the Board of Directors for resolution.
03/31/2022	Audit Committee	Report on performance in internal audit	Noted.
04/28/2022	Audit Committee	Report on performance in internal audit	Noted.

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05/30/2022	Audit Committee	Report on performance in internal audit	Noted.
06/13/2022	Audit Committee	Report on performance in internal audit	<p>Committee Member Mr. Zhan Hong-Chih said that according to the statistics, the payment standard of the commission fee for help the transaction completed should not exceed 5% of the brokerage fee in principle. Regarding the management of exceptions, it is recommended to discuss with the responsible supervisors to stipulate appropriate hierarchical management standards. In addition, it was recommended that regular statistics the payment of the commission fee be conducted for reference of the management's approval and decision-making. The Auditor-General, Ms. Chou Su-Hsiang explained the approval procedure and its implementation status of the commission fee.</p>
06/21/2022	Audit Committee	Report on performance in internal audit	Noted.
07/26/2022	Audit Committee	Report on performance in internal audit	<ol style="list-style-type: none"> 1. Committee Member Mr. Wu Chih-Wei inquired about the purpose and possible risks of the blank form contract paper copies controlled by the subsidiary An-Shin Real Estate Management Ltd., and he said it could consider actions in combination with energy conservation and carbon reduction. The Audit Office explained it. 2. Committee member Ms. Lee Yi-Li asked about the implication of the reduction of overdue payment in the Project "Shanshuijiating", when the amount of collection from customers was not as much as expected, and requested the audit office to report the amount of overdue payment in the next Audit Committee meeting, as well as financial action plans if the overdue amount is significant. The Audit Office Manager, Mr. Chang, Tsung-Ti, explained the process of real estate transactions in China. The Audit Office suggested that the development business should actively understand the customer's source of funds and loan qualifications when signing the contract, so as to ensure that the bank's housing loans can be obtained as scheduled and paid to us after the contract is signed to reduce the possibility of overdue payment. 3. The Chairperson suggested that the managers' turnover rate should focus on

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			<p>exploring the reasons for the turnover rate of well-performed managers. In addition, because many long-term controlling objectives of the subsidiary's development business are displayed as red warning signs of high risk, more attention should be paid or the setting of this indicator should be re-examined. When The Auditor-General, Ms. Chou Su-Hsiang, replied the indicators for the turnover rate of supervisors will be more clearly presented in the future.</p> <p>There were many red light warning signs in the development business in the second quarter this year was mainly due to the delay of the progress of the construction project. Since the internal target was relatively strict, but the external default risk was still within the tolerable number of days. The Audit Office would discuss the appropriateness of the current control objectives with the development business unit.</p>
09/07/2022	Audit Committee	Report on performance in internal audit	<ol style="list-style-type: none"> 1. Committee member Ms. Lee Yi-Li said that the Audit Office reported that the current accounts receivable of the real estate development business of China is still good. Considering that the real estate market of China has fluctuated greatly in recent years, the audit office should regularly report the overdue payment status of the real estate development business of China to the board of directors. 2. The chairperson asked that the turnover rate of supervisors in the first half of the year was higher than KRI's standard, and it was necessary to find out the key reasons in order to reduce the turnover rate. The Auditor-General, Ms. Chou Su-Hsiang supplemented the analysis results of the turnover rate, and will provide a more detailed analysis report after the meeting.
09/27/2022	Audit Committee	Report on performance in internal audit	Noted.
10/26/2022	Forum	<ol style="list-style-type: none"> 1. The internal audit unit's execution of work for 2022 and the draft plan of internal audit for 2023 3. Communication between the 	<ol style="list-style-type: none"> 1. The audit office has limited manpower and resources, and a risk-based assessment should focus on truly high-risk projects. In addition, it is expected to be able to think in terms of adding value to the organization and to perform a greater function. 2. CPA report to Committee Members on the 2022 annual audit plan (including audit scope

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		Audit Committee and CPA about the audit planning of 2022 financial statements.	and methods, key audit matters, etc.) and recent legal updates.
	Audit Committee	Report on performance in internal audit	Noted.
12/21/2022	Audit Committee	Report on performance in internal audit	Noted.
		The Company's internal audit plan for 2023	The Chairperson asked about the difference between the risk management in 2022 and 2023. the Auditor-General, Ms. Chou Su-Hsiang, explained that the five major risk items at the group level were all the same. However, after the guidance of the committee members in the previous communication meeting, the importance of KRI was re-examined. The number of risk KRIs has been reduced compared to 2022, and the business level or department level is linked to its annual goals to formulate relevant risk items and management measures.