

Implementation of Corporate Governance:

Performance of Audit Committee

During period of January 1, 2017 to March 31, 2018, the board of directors of the Company convened a total of three (3) meetings, and all the director participate the board meeting personally.

In Year 2017, the board of directors of the Company convened a total of eleven (11) meetings; at least two independent directors would participate in every meeting, where the directors showed attendance in the following status:

Title	Name	Times of Attendance in Person	Times of Attendance by Proxy	Actual Attendance Ratio (%)	Remarks
Commission member (Convener)	Liu Shuen-Zen	10	1	91%	04/30/2017 entrust the other Commission member to attend the meeting.
Commission member	Hong San-Xiong	10	1	91%	07/28/2017 entrust the other Commission member to attend the meeting.
Commission member	Jhan Hong-Chih	9	2	82%	02/16/2017 and 12/27/2017 entrust the other Commission member to attend the meeting.
Commission member	Su Jyun-Bin	6	1	86%	Predecessor. The directors resigned on 25/05/2017 and attendance shall be 7 times.
Commission member	Yen Lou-Yu	4	-	100%	New appointed member. The directors were elected on 2017/5/20 and the attendance shall be 4 times.

Other remarks as required:

- I. If there are the circumstances as below, the dates of meetings, sessions, contents of motions, resolutions of Audit Committee and the Company's response to Audit Committee's opinion should be specified:
- (1) matters referred to in Article 14-5 of Securities and Exchange Act:
 - (2) resolutions which were not approved by the Audit Committee but were approved by two thirds or more of all directors:
As to the description of the two items above, please refer to the details of the Audit Committee's opinions to the material motions of the board of directors and the Company's response to independent directors' opinion stated on page 37.
- II. If there is independent directors' avoidance of motions in conflict of interest, the independent directors' names, contents of motions, causes for avoidance and voting should be specified: There were no 2017 Audit Committee's motions in conflict of interest with the independent directors.
- III. Communications by and between independent directors and the internal audit officer and the Certified Public Accountants: The Company's internal audit officer reports to the Audit Committee (independent directors) about the audit plans for the ensuing year and, quarterly report to them regarding the implementation of the audit on the internal control system. In case of an extraordinary event, the internal audit officer would report to the Audit Committee forthwith. The Audit Committee may directly inquire with the internal audit officer or the Certified Public Accountant. The Certified Public Accountants may, as well, directly report without being accompanied by the management, to the Audit Committee about the audit or recheck findings and suggestions. They have been in very intimate communications and interactions. Communications in 2017 between the independent directors, the Company's internal audit officer and the Certified Public Accountants were as follows:

Date	Mode	Object	Issues to communicate	Comment from the independent directors
01/28/2017	Audit Committee	Internal Audit Officer	Report the results of audit work fourth quarter of 2016.	The internal audit team would provide the amended control procedure and present again at next meeting.
02/24/2017	Audit Committee	Internal Audit Officer	Discussion on representation of internal control system for 2016.	Approved as proposed by all members present at the audit committee meeting and submitted to the Board for resolution.
		CPA	Report on audit of 2016 financial statements.	Noted.
04/30/2017	Audit Committee	Internal Audit Officer	Report the results of audit work first quarter of 2017.	Noted

		CPA	Report on review of financial statements for the three months ended March 31, 2018.	Approved as proposed by all members present at the audit committee meeting and submitted to the Board for resolution.
07/28/2017	Audit Committee	Internal Audit Officer	Report the results of audit work second quarter of 2017.	Mr. Yen Lou-Yu, the committee recommended the Company should improve the classification of risk management frame work according to the group's current operation. Mr. Liu Shuen-Zen, the chair of the audit committee suggested that the internal audit team may discuss with the other team in the Group and make our colleague aware of the rick conscious and knowledge. Mr. Liu Shuen-Zen, also quired regarding the internal audit schedule of Malaysia subsidiaries, and the general audit reply that the internal audit will be conducted in 2018.
		CPA	Report on review of financial statements for the six months ended June 30, 2016.	The CPA explained the reason of decrease in the operating expense and changes in gain/loss on foreign currency as required by the independent director.
10/27/2017	Forum	Internal Audit Officer and CPA	The draft plan of internal audit for 2018	Mr. Liu Shuen-Zen, the chair of the audit committee suggested the internal audit team should coach each business team to have better idea on the risk and completed method to identify the risk at each level. Especially the Company should pay more attention on the risk arisen from the new business type and new geographic segmentation.
10/27/2017	Audit Committee	Internal Audit Officer	Report the results of audit work third quarter of 2017.	Mr. Liu Shuen-Zen, the chair of the audit committee suggested the internal auditor to manage the uncertain item to reduce the risk and also encourage the internal audit team to provide a precise report.
		CPA	Report on review of financial statements for the nine months ended September 30, 2017.	Mr. Liu Shuen-Zen, the chair of the audit committee quires the CPA if any material matters come to your attention. The CPA response. Mr. Liu Shuen-Zen, the chair of the audit committee expected the CPA may provide active comment on risk management and assistance with necessity.
12/27/2017	Audit Committee	Internal Audit Officer	Discussion on internal audit plan for 2018.	The independent director suggested that the internal auditor should focus on the extent of the audit process instead of the number of the audit sample and should allocate the existing resource to current work. Mr. Liu Shuen-Zen, the chair of the audit committee suggests to seeking CPA and third-party consulting firm's evaluation to avoid the blind point.

The handle and report of the Audit Committee's suggestion on the major resolutions of the Board of Directors in 2017 and the handling of the opinions of the suggestion by the Company: (excluded the 6th meeting which only discuss on the self-evaluation for the 2016 performance.) Please see next page.

Board of Directors Meeting – Session and the Date	Content of the proposals and the following handling	Article 14-5 of Securities and Exchange Act	Resolutions which were not approved by the Audit Committee but were approved by two thirds or more of all directors
Session 12 8 th 2/16/2017	1. Approval of the domestic subsidiary of the Company intending to obtain land.	✓	
	2. Proposal of the Company's loaning to its subsidiary.	✓	
	3. Amendments to the "Procedures for Loaning Funds to Other Parties" and "Procedures for Endorsements and Guarantees".	✓	
	Audit Committee's comment: (02/16): 1. Regarding the proposal No.1, Mr. Su Jyun-Bin, the independent director, noticed that there is a land reserved for the environmental facilities nearby the land to be obtained, and ask if any NIMBY (i.e., garbage storage facility, waste recycling facility, and Sewage treatment plant) will be constructed in the future. The vice general manager Wu Sin-Huang has replied that, according to the communication with competent authority, the land reserved for environmental facilities will be defined as purpose of environmental park or parking lots, instead of NIMBY facility to impair the value of our land. Mr. Hong San-Xiong, the id The independent director asked regarding the Building Capacity and the Transfer of Land Ownership, replied by the vice general manager of Sinyi, Wu Shin-Hung, Except for the above comments, Mr. Liu Shuen-Zen, the chair of the audit committee consulted the opinions of all attending members, and no further comments will be raised. The all proposals were approved all members present at the Audit Committee meeting with the suggestions above and submitted to the Board for resolution. The response to the Committer's suggestion by the Company: The proposals above were approved by all board members present at the Board meeting.		
Session 12 9 th 2/24/ 2017	1. Adoption of unaudited Consolidated and Parent Company only financial statements for the year ended December 31, 2016.	✓	
	2. Adoption of the 2016 Business Report.	✓	
	3. Adoption of the proposal for 2016 retained earnings distribution.	✓	
	4. Proposal of the internal control statement for the year ended December 31, 2016.	✓	
	5. The appointment of CPAs and the audit fee for the year 2017	✓	
	6. The resolution of intercompany security transaction between the Company's subsidiaries.	✓	
	7. Draft adoption of increasing capital by issuing new shares through capitalization of the distributable retained earnings for the year 2016.	✓	
	Audit Committee's comment: (02/24): 1. Regarding proposal No.1 , Mr. Liu Shuen-Zen, the chair of the audit committee asked the CPA if any particular issue from the operating perspectives. The CPA indicated that the operating revenue remains while the operating cost and expense reduce by 4%. Given that Sinyi brand name is very mature, the Company may consider the effect of the advertisement expense. Mr. Su Jyun-Bin, the independent director indicated that in the current media development, the budget and the effect of the advertisement activities would be hard to measure. For example, of recruit advertisement in the prior year, the effect should not benefit to revenue, but good for the recruit. Mr., Jhan Hong-Chih, the independent director, indicated that Sinyi has already built up a good reputation among Taiwan customers in the past, therefore the short-term we did not aware of any impairment on Sinyi's brand name. However, in the current digital age, we should adapt the new marketing method to sharp the Sinyi s brand name 2. Regarding proposal No.6,Jhan Hong-Chih, the independent director indicated that the related party transaction would still take the fair market value into considerations. 3. Except for the above comments, all the proposal was approved as proposed by all Committers present at the Audit Committee meeting with the suggestions above and submitted to the Board for resolution. The response to the Committer's suggestion by the Company: The proposals above were approved by all board members present at the Board meeting.		

Session 12 10 th 2/24/2017	1. Adoption of the 2016 Business Report and the proposal for 2016 retained earnings distribution.	✓	
	Audit Committee's comment: (02/24): All the proposals were approved as proposed by all Committers present at the Audit Committee meeting with the suggestions above and submitted to the Board for resolution.		
	The response to the Committer's suggestion by the Company: The proposals were approved by all board members present at the Board meeting as proposal of a general shareholder meeting.		
Session 12 11 th 3/27//2017	1. Amendments to the "Procedures for Acquisition or Disposal of Assets".	✓	
	Audit Committee's comment: (03/27):		
	1. Mr. Liu Shuen-Zen, the chair of the audit committee, asked regarding the reason to adapt the worse criteria as consideration. Senior Finance Manager, Chen Chih-Huan explained the reason.		
	2. Except for the above comments, all the proposals were approved as proposed by all Committers present at the Audit Committee meeting with the suggestions above and submitted to the Board for resolution.		
	The response to the Committer's suggestion by the Company: As per discussion in BOD, the proposals above were approved by all board members present at the Board meeting.		
Session 12 12 th 4/12//2017	1. Amendments to the Company's "Audit Committee Charter".	✓	
	Audit Committee's comment: (04/12): all the proposals were approved as proposed by all Committers present at the Audit Committee meeting with the suggestions above and submitted to the Board for resolution.		
	The response to the Committer's suggestion by the Company: As per discussion in BOD, the proposals above were approved by all board members present at the Board meeting.		
Session 12 13 th 4/30/2017	1. Adoption of unaudited Consolidated financial statements for the first quarter ended March 31, 2017.	✓	
	Audit Committee's comment: (04/30): all the proposals were approved as proposed by all Committers present at the Audit Committee meeting with the suggestions above and submitted to the Board for resolution.		
	The response to the Committer's suggestion by the Company: As per discussion in BOD, the proposals above were approved by all board members present at the Board meeting.		
Session 12 14 th 7/28/2017	1. Adoption of unaudited Consolidated financial statements for the second quarter ended June 30, 2017.	✓	
	2. The Capital Reduction of the Company's Subsidiaries.	✓	
	3. Approval of the Company's domestic subsidiary intending to obtain land.	✓	
	4. Proposal of the Company's loaning to its subsidiary.	✓	
	Audit Committee's comment: (07/28):		
	1. Mr. Liu Shuen-Zen, the chair of the audit committee inquired regarding the reaction of large increase in revenue and Senior finance Manager, Chen Chih-Huan explained the reason. The independent director asked about the difference between the operating expense and foreign exchange, and the CPA replied.		
	2. Jhan Hong-Chih, the independent director asked regarding the amount of the capital reduction at each overseas subsidiary level Senior finance Manager, Chen Chih-Huan explained. Mr. Liu Shuen-Zen, the chair of the audit committee, asked regarding the reason of the capital remittance for the China instead of reinvestment, and Senior finance Manager, Chen Chih-Huan explain that the capital is not able to reinvestment subject to the current restriction. Mr. Yen Lou-Yu, the independent director suggested the Company to consider to transfer the equity of Shanghai Sinyi instead of capital reduction.		
	3. Regarding proposal No.4 · Mr. Liu Shuen-Zen, the chair of the audit committee asked regarding the reason of this transaction is shorter than prior transaction. The vice general manager, Lee Chien Kuan for the Sinyi Development Inc. and senior finance manager, Chen Chih-Huan explained the reason.		
	Except for the above comments, regarding proposal No.1, the broad meeting authorized the Company to bid the land within specific amount to negotiate with the land owner. The remaining proposals were approved as proposed by all Committers present at the Audit Committee meeting with the suggestions above and submitted to the Board for resolution.		
	The response to the Committer's suggestion by the Company: As per discussion in BOD, the proposals above were approved by all board members present at the		

	Board meeting.		
Board of Directors Meeting – Session and the Date	Content of the proposals and the following handling	Article 14-5 of Securities and Exchange Act	Resolutions which were not approved by the Audit Committee but were approved by two thirds or more of all directors
Session 12 15th 8/27	1. Approval of the overseas subsidiary of the Company intending to obtain land held from the government of PRC. Audit Committee's comment: (08/27): After the Company amend the wording in the proposal and Mr. Liu Shuen-Zen, the chair of the Audit Committee consulted the opinions of all attending members, the Audit Committee agreed to authorize the chair of the Broad of director for the land bidding matter regarding. The company would follow the above comment to deal with the land acquisition matter. The response to the Committer's suggestion by the Company: As per discussion in BOD, the proposals above were approved by all board members present at the Board meeting.	✓	
Session 12 16th 10/27	1. Adoption of unaudited Consolidated financial statements for the third quarter ended September 30, 2017. 2. Amendments to the Company's "Audit Committee Charter". 3. To apply to financial institutions for the renewal of line of credit and the incremental loans and line of proposes to credit. Audit Committee's comment: (10/27): 1. Regarding proposal No.1 · Mr. Liu Shuen-Zen, the chair of the audit committee expected the CPA may provide active comment on risk management and assistance with necessity. 2. Regarding proposal No.3, Mr. Yen Lou-Yu, the independent director asked the reason of borrowing from the foreign finance institution instead of domestic ones. Senior Finance Manager, Chen Chih-Huan explained the reason. Mr. Liu Shuen-Zen, the chair of the audit committee, recommended the proposer should specify the reason for the adjustment and provide the detailed explanation for the Auditor committer's easy making decision. 3. Except for the above comments, 1-3all the proposals were approved as proposed by all Committers present at the Audit Committee meeting with the suggestions above and submitted to the Board for resolution. The response to the Committer's suggestion by the Company: As per discussion in BOD, the proposals above were approved by all board members present at the Board meeting.	✓	
Session 12 17th 12/27	1. To approve the 2018 Internal Audit Plan. Audit Committee's comment: (12/27): 1. Mr. Yen Lou-Yu, the independent director, indicated that from prospective of the risk management, risk means differently for each industry and business units. The evaluation would impact the annual audit plan. The internal auditor should focus on the extent of the audit process instead of the number of the audit sample and should allocate the existing resource to current work. Mr. Liu Shuen-Zen, the chair of the audit committee suggested to seeking CPA and third-party consulting firm's evaluation to avoid the blind point. 2. Except for the above comments, all the proposals were approved as proposed by all Committers present at the Audit Committee meeting with the suggestions above and submitted to the Board for resolution. The response to the Committer's suggestion by the Company: As per discussion in BOD, the proposals above were approved by all board members present at the Board meeting.	✓	