

Company's Auditor-General and the Certified Public Accountants

Date	Mode	Object	Issues to communicate	Comment from the independent directors
01/29/2019	Audit Committee	Auditor-General	Report on performance in internal audit	Committee member Mr. Hong San-Xiong inquired in response to the previous audit case "Sinyi Jiating Project where the customers failed to complete the relevant procedures after the real property had been delivered", focusing on whether the Company's contract offered relevant protection. Meanwhile, the chairperson inquired into the time schedule of the corrective action. The Auditor-General responded with all details.
02/25/2019	Audit Committee	Auditor-General	Report on performance in internal audit	<ol style="list-style-type: none"> 1. Committee member Mr. Jhan Hong-Chih suggested that the auditing unit should find out the cause of each discovered incident to look into the responsible unit and the effective internal processes to rule out potential recurrence of the same or similar incident in the future. He suggested as well we should design a complete management method to control potential risk events, such as setting up inspection forms for procurement methods. If there are those who do not meet the requirements of the internal form, the next step should not be performed to prevent potential recurrence of such risk 2. The chairperson suggested that the audit unit should summarize the reason for the occurrence of the incident, as a result of poor design of the internal control system or poor implementation of the operating process. The audit unit should not only strengthen the monitoring frequency, but also design effective internal processes to take measures to detect or eliminate the reason for occurrence of the incident at the early stage. 3. Committee member Mr. Hong San-Xiong suggested that specific and feasible internal control improvement measures should be put forward to assist public institutions in implementing relevant management procedures.
			Declaration on internal control system in 2018	The present issue is duly passed exactly as proposed as no objection was heard in response to the inquiry by the chairperson toward all participating Committee members and would be further submitted to the board of directors for final decision.

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		CPA and Auditor-General	Compilation of consolidated financial statements and individual financial statements of 2018	The fact where the Certified Public Accountant attended the audit report in 2018 and the key findings. The Chairperson suggested that the internal audit unit should include the tracking items in the internal control processes in the audit findings reported by the Certified Public Accountant in order to further improve the internal control procedures in the future.
04/08/2019	Audit Committee	Auditor-General	Report on performance in internal audit	Both the chairman and Committee member Mr. Jhan Hong-Chih said that the unqualified rate in the random inspection of the Branchs' fire extinguishers was excessively too high and suggested that a comprehensive inspection should be conducted to ensure the safety of colleagues and property of the Branch. The Auditor-General responded by saying that the audit unit shall ask the Department of General Affairs to conduct an overall inspection and replace unqualified fire extinguishers.
04/29/2019	Audit Committee	Auditor-General	Report on performance in internal audit	The chairperson inquired into the follow-up improvement status of the Auditor Office in response to the "status of fire extinguisher installation in the Branch as previously reported" and "the intermediary business information system and backup system may be interrupted at the same time for Mainland China" and the executive manager of the Auditor Office would respond to explain the improvement measures of the relevant inspection operations. The improvement of the implementation of the information backup system for the mainland agency business should be incorporated into the tracking report.
		CPA	Consolidated financial	The certified public accountant attended the report about the findings to review the

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			statements for Quarter I, 2019	findings of the consolidated financial statements of the first quarter of 2019. This proposal was approved by the chairperson after consulting all the attending members who responded with no any other opinions and the proposal should be submitted to the Board of Directors for final decision.
05/31/2019	Audit Committee	Auditor-General	Report on performance in internal audit	<ol style="list-style-type: none"> 1. Regarding the previous audit follow-up issue in view of the unqualified rate of fire extinguisher survey results, Committee member Mr. Jhan Hong-Chih asked whether to consider replacing the outsourced manufacturer and re-examine the contract anew, and proposed to establish operating specifications for the control and management of expiring fire extinguishers. In addition, the chairperson asked about the quality of the supplier and Committee member Mr. Mr. Hong San-Xiong asked about the actual rate of abnormal fire extinguishers. The Auditor-General responded to the explanation and stated that they would test extinguishers on a semiannual basis in the future. At present, they would team up with the Department of General Affairs regarding relevant operating methods. 2. Regarding the asset security backup system of the subsidiary in Mainland China, the chairperson asked about the subsequent improvement progress, and the executive manager of the Auditor Office duly responded and explained. 3. The chairperson inquired about the follow-up progress of the subsidiary's management regulations and measures, and the executive manager of the Auditor Office responded and explained in return. In addition, Committee member Ms. Li Yi-Li suggested that the improvement schedule of the tracking items should be unified on a monthly basis to facilitate tracking timeliness.
06/14/2019	Audit Committee	Auditor-General	Report on performance in internal audit	Duly acknowledged.
07/29/2019	Audit Committee	Auditor-General	Report on performance in	Duly acknowledged.

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		CPA	internal audit Consolidated financial statements for Quarter II, 2019	The certified public accountant attended and reported the findings about the review into the consolidated financial statements of the second quarter of 2019. The chairperson, meanwhile, inquired about the reasons for the year-on-year decrease in operating costs of the second quarter of 2019 of the subsidiary An Hsin Construction Management Co., Ltd. and Shanghai Sinyi Real Estate Agency Co., Ltd. The Auditor-General and CFO explained duly in response.
08/28/2019	Audit Committee	Auditor-General	Report on performance in internal audit	Chairperson and Committee member Hong San-Xiong suggested that the housing intermediary business system should be gradually implemented toward relevant subsidiaries in Japan, Malaysia and the Mainland China after the Company has established a compliance system for Money Laundering Control Act.
09/17/2019	Audit Committee	Auditor-General	Report on performance in internal audit	Duly acknowledged.
10/28/2019	Symposium	Auditor-General, CPA	Audit programming for Sinyi Group for Year 2020.	<ol style="list-style-type: none"> 1. Set up an audit plan on the grounds of the "Regulations Governing Establishment of Internal Control Systems by Public Companies" which requires important operational cycles and management operations to be checked. 2. Materiality principle: Reduce the frequency of audits by finding those who have low risks and no missing audit reports in the past two years, and allocate audit resources to the new business in Year 2020. 3. Risk management: It focuses on the five major annual risk projects selected by the Group Ethics Committee at the group level. The risks at the business and department levels are checked simultaneously when auditing various subsidiaries and departments. 4. Continuously improve the Group's internal control management by

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				implementing internal control systems, independent audit management, continuous periodic audits and major risk management.
	Audit Committee	Auditor-General	Report on performance in internal audit	The Chairperson recommends coloring the risk profiles more intuitively and easily.
		CPA	Consolidated financial statements for Quarter III, 2019	The certified public accountant attended and reported regarding the review and findings in the consolidated financial statements for the third quarter of 2019. The chairperson asked about the depreciation of the renminbi and its future response and the CFO replied that in the future, to carry out the overall overseas capital planning of the entire Group, the capital requirements of the development business in Mainland and the related tax burden of the retained earnings remitted back to Taiwan would be taken into consideration.
12/30/2019	Audit Committee	Auditor-General	Report on performance in internal audit	The chairperson suggested that the number of internal audit business reporting items is increasing, and the Auditor Office should summarize and integrate those items reported to the board of directors depending on the importance of each item, and should pay added attention to the role of internal audit to review the operating unit's risks rather than focus on the affairs of supervision, tracking and other things that the investigated department should do.