

Sinyi Realty Inc.

2023 Annual General Shareholders' Meeting Minutes (Translation)

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.

Time: 9:30 a.m., May 18, 2023

Place: Center for Public & Business Administration Education of National Chengchi University (No. 187, Jinghua Street, Daan Dist., Taipei City)

Meeting type: Hybrid shareholders' meeting

(The shareholders' meeting will be convened in a physical way with video assisted)

Video conference platform: Taiwan Depository & Clearing Corporation

Website: <https://www.stockvote.com.tw>

Shareholders present: Total outstanding shares of the Company are 736,846,500 shares, and shares represented by shareholders present are 600,632,889 shares (including 113,575 shares on video conference platform and 46,938,132 shares casted through e-voting), accounted for 81.51% of total shares issued.

Chairperson: Sinyi Co., Ltd.

Recorder: Hsu Feng-Chi

Representative: Liu Yuan-Chih

Attendance: Chou Ken-Yu (Vice Chairperson), Chou Chun-Chi (Director), Yen Lou-Yu (Independent Director), Wu Chih-Wei (Independent Director), Chen Li-Hsin (General Manager), Chen Chih-Huan (Chief Financial Officer), Wang Pan-Fa (Deloitte & Touche, Accountant), Chang Chia-Yu (LCS & Partners)

I. Chairperson's address:

Ladies and gentlemen, welcome! And hello to those shareholders who participate in the meetings by video conference, I am Liu Yuan-Chih, the Chairperson. I would like to express my sincere thanks for taking time out of your busy schedules to join us today. Due to the epidemic situation, few number of shareholders participated in shareholders' meeting of the Company in the past two years. This year, as the pandemic reaches its peak and slows down, I am really glad to be able to meet you again, and with whom we shall share overall operating status of the Company. Thank you again for the support, and now I would like to call the meeting to order.

II. Report items

Item 1:

Proposed by the boards of directors

Subject: To report the business of 2022.

Descriptions:

1. Business report of the Company is in the Attachment 1 from Page 9-12 of this meeting handbook.
2. Please review.

Comments:

1. A shareholder with account No. 2705 inquired that (1) with the effect of global factors such as the Russia-Ukraine war and inflation, the Company experienced a decrease in its annual sales revenue. The Company should explain how much profitability is expected to increase in the future through AI smart matching task, and what percentage of sales are currently generated by AI smart matching task. (2) In 2022, due to the weak economy, the transaction volume of second hand housing market in Shanghai decreased by 50% compare to last year, which resulting in the annual decrease by 36% of revenue of the Group's real estate agent unit in Mainland China. In response to the market environment and competitive situation in Mainland China, does the Company have any plans to downsize its business operations in Mainland China and make additional investment in Japan or Southeast Asian countries? (3) The Company should accelerate the sale of Project "Shanshuijiating" to escape the impact of the downturn of the housing market in mainland China. (4) Please explain the functionalities of PropTech mentioned in the business report and how does this function operate. (5) The Company plans to acquire lands in Malaysia and construct a hotel in the future. Please provide information on the counterparty of the land acquisition transaction, the facilities use in the resort, and the projected revenue that the tourism operation can generate for the Company?

(The above inquiries were responded by the Chairperson on the spot. The Chairperson made replies first on the two issues of revenue and mainland market that shareholders are more concerned about. (1) The Company experienced a significant decline in revenue by 23%, along with a 21% decline in the second hand housing turnover. In addition to external factors, people-oriented is the Company's business philosophy, but we have not used it well to deeply explore and understand customer needs, and the Company's executives have not fully understood the needs of colleagues in the process of serving customers, so as to provide fully support in real time, assist them to grow and provide good customer service. The executives should deeply review and propose optimization plans. Once the employees are taken care well, they will be able to provide excellent service to customers. (2) The Company has been actively pursuing digital transformation for the past three years. The Digital Transformation team held several meetings per week and implemented many projects. By providing comprehensive online-offline services, we believe we could enhance productivity in the future. (3) Regarding the mainland China market, the Company terminated its operations in Hangzhou at the end of last year, as well as the Shanghai agency sales business in March this year. In addition, there was a manpower reduction specifically in the administrative staff and the executives of the real estate agent unit in Mainland China actively reviews the operation of branch stores on the spot as well. It is estimated that if the monthly revenue reaches RMB 4 million, the real estate agent unit in Mainland China will break even. The overall operating conditions have improved in the first quarter of this year.)

2. A shareholder with account No. 42599 inquired that (1) the Company's

performance last year was comparatively poor. What are the Company's operational expectations for the second half of this year and the coming year? I agree with the Company's proposed discontinued-plan of the mainland China business. (2) The EPS of last year reached a new low in the nearly five years. Please explain about the digital transformation plan, including the projected increase in revenue and efficiency, as well as the estimated timeline. (3) The Group has a significant amount of inventory in its real estate development business, particularly in Mainland China, where the real estate inventory amounts to NT\$4.1 billion. How does the Group evaluate the risks associated with this inventory in Mainland China, and what is the estimated gross profit margin? (4) In the third quarter investor's conference held in November 2022, it was mentioned that Project "Shanshuijiating" achieved a cumulative sales of 370 units, i.e., a cumulative sales rate of 61%. However, it is unclear why the 2022 sales figure on page 5-18 of the annual report shows only 275 units. In addition, what is the estimated gross profit margin of Project "Shanshuijiating"? (5) Please describe the proportion of revenue and operational overview of each business entities or departments' contribution.

(Regarding points (3) and (4), the Chairperson authorized the Chief Financial Officer, Mr. Chen Chih-Huan, to assist in the reply. The Chief Financial Officer states that the inventory mainly consist of parking spaces in Project "Sinyi Jiating" and residential units and parking spaces in Project "Shanshuijiating". The Company takes the market price of parking spaces and difficulties in selling parking spaces with poor design layouts into considerations. Based on these factors, the Company assesses and makes provisions for inventory impairment losses. The inventory value of Project "Shanshuijiating" is assessed based on the latest sales price of residential units and parking spaces. The inventory valuation mentioned above is conducted periodically. (2) If Project "Shanshuijiating" is sold out, the gross profit margin is estimated to be 15%-16% and the net profit before tax would be around 8%. The lower gross profit margin is primarily attribute to the fact that the Company faced changes in the real estate market policies in Mainland China after acquiring the land. Upon approval, the future sales price was restricted with upper limited, resulting in a lower return on investment than anticipated. (3) The sales units mentioned in the investor's conference refer to the latest cumulative sales figures at that time. On the other hand, the sales units reported in the annual report are the figures recognized as revenue upon property delivery. The time difference between sales and property delivery will cause discrepancy between the information showed in the investor's conference and the annual report.)

(The second and fifth of inquiries were replied by the Chairperson on the spot that (1) the Group's overall revenue for 2022 was NT\$13.7 billion. The real estate brokerages revenue of the Company accounted for 73%, 4% in the subsidiaries, An-Sin, An-Shin and Snyi Global, 1% in real estate agent unit in Mainland China, and 3% in Japan Sinyi. The total real estate brokerage agency revenue accounted for 81%. And Cross-Strait development business accounted for 19%. (2) For the Mainland China market, the Group will continue to work hard to improve performance. (3) Colleagues will aim to increase productivity by 25% through the implementation of digital tools.

3. A shareholder with account No. 2705 stated that the Company's senior executives hold relatively low shares of the Company and suggested the Chairperson should encourage them to increase their shareholding of the Company.

(The above was explained by the Chairperson on the spot. The Chairperson thanked the shareholders who show their concerns to the Company. The senior executives' financial management should be their own personal choice. However, most of the senior executives work for more than 20 years in the Company, and they are very loyal to the Company. In addition, their bonuses effectively link the Company's operating status. The ratio is as high as 60%. It shows that the executives have great confidence in the Company's operations. In the future, we will still focus more on the Company's operations instead of the Company's daily stock price performance.

The General Manager, Ms. Chen Li-Hsin, provided additional clarification that the Company has initiated an Employee Stock Ownership Trust program(ESOT), which employees are given the opportunity to purchase the Company's stocks by allocating a certain amount from their monthly salaries. The Company also provides subsidies to support them. Over the years, the ratio of shareholding by ESOT has gradually increased, which implement the theory of all-staff-participation.

4. A Shareholder with account No. 58232 said that (1) in contrast with other well-known companies where their executives' salaries decreased over the past three years due to the economic conditions, the remuneration of our Company's executives has seen a relatively higher increase as a proportion of the Company's post-tax net profit. It appears that a significant numbers of executive managers has the same surname "Chou". (2) The organizational hierarchy of the Company differs from that of government of which department usually follows a top-down approach, such as department, bureau, and division.

(The above information was responded by the Chairperson on the spot. (1) The organizational structure of the company needs to be designed according to the organizational unit of each company. The organizational structure level of the Company is clearly defined from top to bottom as division and department. (2) The majority of the bonuses for the senior executives are tied with the Company's performance. The Company has implemented compensation reform, which the bonuses will have a more profound connection with the performance and incorporate with the operational goals for the next three years. (3) The former chairperson, Mr. Hsueh Chien-Ping and I have no family relationship with Mr. Chou Chun-Chi, the Company's founder. The Company is not a family-owned enterprise.)

5. A Shareholder with account No. 5935 said that it is not advisable to place too much emphasis on management's ownership of the company to avoid distracting executives. Due to the difference of shareholding structure between the Company and other technology companies, it is advisable to appropriately separate the right to operate from the ownership, so that professional managers can play their due role.
6. A Shareholder with account No. 42599 said that (1) it is still unclear which the number of sales of the investor's conference held in November 2021 between the numbers in the annual report is inconsistent. In addition, the gross profit rate of the Project "ShanshuiJiating" has reached 13%-14% in the investor's conference, but the reply just now is almost halved. It is recommended that the Company explain the relevant information clearly and carefully in the investor's conference. (2) According to the annual report on pages 5-6, the number of branch stores reached

495 at the end of 2022. Although the revenue situation is not well, the number of stores have reached a new high, which will cause a burden on the Company's operations. Please explain the necessity of store expansion and the current number of stores. (3) Facing the fact that there are still a small number of business colleagues with poor service, what is the content and frequency of the Company's training for these colleagues? (4) The amount of the Company's investment properties as of December 31, 2022 was about NT\$2 billion and please explain the amount of annual profit.

(The second and third of inquiries were replied by the Chairperson on the spot that the important business philosophy of Company is "open as many stores as there are qualified store manager", and the priority is to improve the service productivity of business colleagues, rather than simply aiming at expanding stores or creating revenue. At present, the ability of store managers have been evaluated, and the branches have been adjusted according to the change of prosperity of the area which the store is allocated. The Company focuses on "business philosophy" in training of business colleagues. The first class for new recruits is to teach the Sinyi business philosophy by the general manager or chairperson and conduct a series of business philosophy courses to cultivate colleagues with correct ideals, to serve customers. The Chairperson also authorized the Chief Financial Officer, Mr. Chen Chih-Huan, to reply, and the Chief Financial Officer said that the investment properties are mainly Sinyi Building leased some floors to Allianz Life and E.SUN Bank. The status of investment can be found in rental income of the Consolidated Statement of Comprehensive Income. In addition, the gross profit margin of Project "Shanshuijiating " just replied is 15%-16%, which is almost meet in the investor's conference.

7. A Shareholder with account No. 19206 said that as a shareholder, what you should be worried about is not that the Company doesn't perform well in times of recession, but that the Company doesn't perform well when its peers are performing well. Under the current the real estate market slump, it is true that all real estate brokerage agencies are performing poorly. The Company's market share has increased from 5% to 8% in recent years. In the long-term run, the Company has indeed grown. Regarding the numbers of Project "Shanshuijiating" asked by the shareholder just now, it should be due to the difference between the sales date and the delivery date, because the financial statements is based on the delivery of houses to recognize the revenue, and the investor's conference indicated the number of units that have been contracted for sale.
8. After inquiring the shareholders attending the meeting, the Chairperson proclaimed that the attendees were informed with the report.

Item 2:

Proposed by the boards of directors

Subject: To report 2022 employees' compensation 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 employees' compensation and directors' compensation for the year 2022 is NT\$1,525,966,882, which is multiplied

by 1% and 0.34798% are NT\$15,259,669 and NT\$5,310,000 in cash for the employees and directors , respectively. The total amount is NT\$20,569,669.

3. Please review.

Comments:

After inquiring the shareholders attending the meeting, the Chairperson proclaimed that the attendees were informed with the report.

Item 3:

Proposed by the boards of directors

Subject: To report Audit Committee's review of the business report, financial statements and earnings distribution proposal of 2022.

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 2022 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 13 of this meeting handbook.
2. Please review.

Comments:

1. A shareholder with account No. 42599 inquired that: (1) the status of real estate market in Mainland China has not been good, and the amount of inventory as December 31, 2022 of the mainland real estate development business is more NT\$4 billion. Please explain how the loss of inventory decline is assessed, as well as accounts receivable and customer defaults, and whether the independent directors made suggestions or communications on the above situation in the past year. (2) Please explain the departmental information on pages 6-88 of the annual report, which disclosed investment real estate rental income of NT\$90,355, and why this huge loss was incurred.

(The inquiries above were authorized by the Chairman to the Chief Financial Officer, Mr. Chen Chih-Huan and the CPA, Mr. Wang Pan-Fa to reply. the Chief Financial Officer stated that the reason why the department's information disclosed that the negative investment real estate rental income of NT\$90,355 was due to the relevant consolidated write-offs and deductions in the presentation of the consolidated statements. The CPA added that the negative NT\$90,355 thousand of investment real estate rental income was due to the fact that the amount was originally listed as the income of the departments listed on the table, but when expressed in the consolidated statements, the rental income was non-operating income, so it was reduced when the department's information was disclosed so that the operating income in the table was consistent with the consolidated statements. That amount of NT\$90,355 thousand was not a loss. The Chief Financial Officer said that the real estate inventory assessment in Mainland China was explained a few minutes ago. The collection of accounts receivable of mainland development business was in good condition, except for quite a few customers who terminate the contract due to

personal factors and there was no material default. The independent directors had also asked and followed up the above related issues of the audit office in the audit committee meeting last year, and the audit office replied in the next audit committee meeting.)

2. A shareholder with account No. 58232 inquired about the reason for the decrease in intangible assets on page 6-1 of the annual report from NT\$115,329 thousand in 2018 to NT\$44,056 thousand in 2022.

(The Chairperson authorized Chief Financial Officer, Mr. Chen Chih-Huan, to reply, and Chief Financial Officer said that intangible assets are mainly the cost of purchasing system software, which are purchased every year according to demand and amortized annually according to the service life, resulting in changes in the amount.)

3. After inquiring the shareholders attending the meeting, Chairperson proclaimed that the attendees were informed with the report.

Item 4:

Proposed by the boards of directors

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 14-17 of this meeting handbook.
2. Please review.

Comments:

1. A shareholder with account No. 2705 expressed that it was not easy to perform the audit in Mainland China and how the Company conducted the audit of the subsidiaries over there, and asked the Chairperson to share his own experience.
(The above inquiry was replied by the Chairperson on the spot. The Chairperson explained that regarding his own experience sharing, he might discuss it later. The Company's main base was Shanghai, and its compliance with laws was better. It was less likely to cause the occurrence of the described excessive abnormal matters.)
2. After inquiring the shareholders attending the meeting, the Chairperson proclaimed that the attendees were informed with the report.

Item 5:

Proposed by the boards of directors

Subject: To report amendments to the Company's "Sustainable Development Best Practice Principles".

Descriptions:

1. In order to continue to implement sustainable development, the company intends to revise the "Sustainable Development Best Practice Principles".
2. Comparison tables of amended articles of "Sustainable Development Best Practice Principles" of the Company are detailed in Attachment 4 from Page 18 of this meeting handbook.
3. Please review.

Comments:

After inquiring the shareholders attending the meeting, the Chairperson proclaimed that the attendees were informed with the report.

Item 6:

Proposed by the boards of directors

Subject: To report the Company's concrete promotion plans for sustainable development programs.

Descriptions:

1. In order to continue to implement sustainable development, the Company proposed to set up concrete promotion plans for sustainable development. Plans for promoting sustainable development are detailed in Attachment 5 from Page 19-20 of this meeting handbook.
2. Please review.

Comments:

After inquiring the shareholders attending the meeting, the Chairperson proclaimed that the attendees were informed with the report.

Item 7:

Proposed by the boards of directors

Subject: To report the operation of the Company's board of directors and its functional committees of 2022.

Descriptions:

1. In order to enhance the effectiveness of the Company's board of directors, the Company has established an audit committee, a remuneration committee and a nomination committee. The report on the operation of the Company's board of directors and its functional committees for 2022 are detailed in Attachment 6 from Page 21-24 of this meeting handbook.
2. Please review.

Comments:

After inquiring the shareholders attending the meeting, the Chairperson proclaimed that the attendees were informed with the report.

Item 8:

Proposed by the boards of directors

Subject: To report the annual directors' remuneration of 2022.

Descriptions:

1. In accordance with the Company's Corporate Governance Principles, and to inform shareholders of the remuneration of the directors, the Company's 2022 directors' remuneration policy, individual remuneration content and amount are detailed in Attachment 7 from Page 25-26 of this meeting handbook.
2. Please review.

Comments:

After inquiring the shareholders attending the meeting, the Chairperson proclaimed that the attendees were informed with the report.

Item 9:

Proposed by the boards of directors

Subject: To report the related party transactions of 2022 derived from non-operating activities.

Descriptions:

1. In order to improve corporate governance and protect shareholders' rights and interests, the related party transactions of 2022 derived from non-operating activities are detailed in Attachment 8 on Page 27 of this meeting handbook.
2. Please review.

Comments:

After inquiring the shareholders attending the meeting, the Chairperson proclaimed that the attendees were informed with the report.

III. Ratification Items

Item 1

Proposed by the board of directors

Subject: To ratify 2022 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 2022 have been audited by CPAs Mr. Wang Pan-Fa and Mr. Shih Chin-Chuan 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 2022 are submitted, as detailed in Attachment 1 on Page 9-12 and Attachment 9 from Page 28-47 of this meeting handbook.
4. Submitted for acceptance.

* A shareholder with account No. 42599 inquired about (1) the probabilities of inventory of Project "Shanshuijiating" in Wuxi being sold out before the end of 2023 which described in the shareholder report. (2) Reasons for investing in foreign unlisted shares on pages 6-40 of the annual report and reasons for the decrease in the amount. (3) The current amount of investment in Mengalum Island and when it will generate income in the future.

(Above (1) and (3) are explained by the Chairperson's immediate reply on the spot. Project "Shanshuijiating" mentioned in the report to shareholders is expected to be completed in 2023, which was the goal of the sales team at the time. It is planned to use word-of-mouth marketing from customers who moved in after the house is handed over. Accompanied with the post-epidemic and the substantial relaxation of housing market policies, the sales team would treat those people work in nearby science and technology parks and cultural and education area as potential customers and use multiple marketing methods such as Tik Tok. As for Mengalum Island, because it is positioned as a "zero-carbon island", the restoration of forests and sea turtles needs to be prioritized, and the development schedule is relatively slow. Apart from the initial land cost, there is currently no large amount of capital investment. Looking forward to the future, it will probably be the only one in the world.

The Chairman authorized the Chief Financial Officer, Mr. Chen Chih-Huan, to assist in the reply, and the Chief Financial Officer, stated that the sales schedule is dynamically adjusted. According to the sales situation in the first quarter of this year, we made an adjusted statement in the 2023Q3 investor's conference that the proposed schedule of inventory of Project "Shanshuijiating" being sold out would be at the first quarter of 2024. The investment in foreign unlisted shares is mainly the Company's early investment many years ago, including investment in Cite' Publishing Holding Ltd. and Cura Investment Management (Shanghai) Co., Ltd. Cite' Publishing Holding Co. is related to media communication industries, but the investment the amount is not significant. The reason for the large change in the amount in the two years is that Cura Investment Management (Shanghai) Co., Ltd., which we invested based on the strategic alliance, was affected by the downturn in the mainland real estate market, and the fair value of the company fell after

evaluation.)

- * A shareholder with account No. 2705 said that (1) the Company's debt ratio is as high as 65%, and advised the Company not continue to increase the borrowings all the time. (2) In addition, large electronics companies have set up an employee stock option certificate system, the shareholder suggested that the Company should establish a sound employee warrant reward system for senior executives to evaluate the performance results.

(The inquiries were replied by the Chairman on the spot that, as mentioned before, the Company is currently working to amend the remuneration incentive system for senior executives, and will also take into account employee stock options. In addition, the Company's business constitution is sound, and the financial unit actively manages the financial data at ordinary times, and conducts stress tests regularly.)

Resolution: The above proposal was ratified as proposed. The voting result is as follows:

Voting Result	% of total representation at the time of voting
Votes in favor: 595,356,105 votes (including 43,570,297 votes casted through video conference platform and e-voting)	99.12%
Votes in against: 160,612 votes (including 160,612 votes casted through video conference platform and e-voting)	0.02%
Votes in invalid: 0 votes	0.00%
Votes abstained: 5,116,172 votes (including 3,320,798 votes casted through video conference platform and e-voting)	0.85%

Item 2

Proposed by the board of directors

Subject: To ratify 2022 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 2022 is NT\$ 177,129,819. After adding NT\$117,441,158 for the re-measurement of defined benefit obligation and NT\$440,262 due to long-term investment in shares of the Company, respectively, the adjusted beginning undistributed earnings is NT\$295,011,239. Additionally adding 2022 earnings after tax of NT\$1,223,335,594, and deducting appropriated legal reserve of NT\$134,121,701 and adding reversal of special reserve of NT\$105,567,656, the 2022 distributable earnings is NT\$1,489,792,788. It is proposed to distribute cash dividends to shareholders in the amount of NT\$884,215,800. As calculated by actual outstanding share number of 736,846,500 shares of the Company as of February 22, 2023, each share will be distributed for a cash dividend of NT\$1.2 (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. 2022 earning distribution table is proposed as follows:

Items	Amount (NT dollars)
Beginning undistributed earnings (a)	\$ 177,129,819
Add: Re-measurement of defined benefit obligation (b)	117,441,158
Add: Adjustment to undistributed earnings due to long-term investment in shares defined benefit obligation(c)	<u>440,262</u>
Adjusted beginning undistributed earnings(d)=(a+b+c)	295,011,239
Add: Net income of 2022(e)	1,223,335,594
Less: Appropriation of legal reserve (f) =(b+c+e)×10%	(134,121,701)
Add: Reversal of Special reserve(g)	<u>105,567,656</u>
Current distributable earnings (h) =(d+e-f+g)	1,489,792,788
Propose to distribute items:	
Less: Bonuses to shareholders(i)	(<u>884,215,800</u>)
Ending undistributed earnings (j)=(h-i)	<u>\$ 605,576,988</u>
Notes: Amount of current earnings distribution will be paid from 2022 net income first.	

Chairperson: Sinyi Co., Ltd.

Representative: Liu Yuan-Chih

General Manager: Chen Li-Hsin

Chief Accountant: Wu Hsiao-Jen

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: The above proposal was ratified as proposed. The voting result is as follows:

Voting Result	% of total representation at the time of voting
Votes in favor: 595,322,601 votes (including 43,536,793 votes casted through video conference platform and e-voting)	99.11%
Votes in against: 219,683 votes (including 219,683 votes casted through video conference platform and e-voting)	0.03%
Votes in invalid: 0 votes	0.00%
Votes abstained: 5,090,605 votes (including 3,295,231 votes casted through video conference platform and e-voting)	0.84%

The Chairperson stated that before voting on the Ratification matters, the following responses to the questions raised by the shareholders of the video platform and other questions from shareholders on site would be made and asked the shareholders of the video platform to wait online.

Item 3

Proposed by the board of directors

Subject: To ratify the amendments to the Company's "Regulations of Governing Transactions with Group Enterprises, Specific Companies, and Related Parties"

Descriptions:

1. To adapt to legal amendments and needs of practice, the Company proposed to rename "Regulations of Governing Transactions with Group Enterprises, Specific Companies, and Related Parties" to be "Regulations of Governing Financial and Business Matters Between the Company and its Related Parties" .
2. Comparison tables of amended articles of "Regulations of Governing Financial and Business Matters Between the Company and its Related Parties" of which name is "Regulations of Governing Transactions with Group Enterprises, Specific Companies, and Related Parties" of the Company are detailed in Attachment 10 from Page 48-67 of this meeting handbook.
3. Please review.

Resolution: The above proposal was approved as proposed. The voting result is as follows:

Voting Result	% of total representation at the time of voting
Votes in favor: 595,329,152 votes (including 43,543,344 votes casted through video conference platform and e-voting)	99.11%
Votes in against: 218,678 votes (including 218,678 votes casted through video conference platform and e-voting)	0.03%
Votes in invalid: 0 votes	0.00%
Votes abstained: 5,085,059 votes (including 3,289,685 votes casted through video conference platform and e-voting)	0.84%

The Chairperson stated that before the voting on the ratification items, the following replies were made to the questions from the shareholders on the video platform and other questions of the on-site shareholders.

* A shareholder with account No. 40581 stated that this year, the Company failed to announce the profit and loss of material information on the same day which the board of directors of the Company approved the first quarter financial report on April 26, and issued a supplementary announcement of material information next day, which may cause the material loss on the Company. It is recommended that the Company should punish the head of corporate governance.

(The above was replied by the Chairman on the spot. The Company approved the financial report by the board of directors on April 26, 2023. On the same day, we also made material announcement about the resolutions of the board of directors, and then announced the entire first quarter financial report review by CPA in both Chinese and

English version. Investors should be able to keep updated on April 26. The profit and loss information of the first quarter of 2023 was fully known on April 26. As for the announcement of material information on that day, the exact material information of the first quarter was indeed an omission. The Company immediately announced it the next day, and the relevant administrative operations will be improved in the future. And we shall punish the corporate governance supervisor in accordance with the Company's regulations.)

*A shareholder with account No. 38636 advised that the Company should regularly update the progress of Sabah's investment plans.

(The above is replied by the Chairperson on the spot. The Company will update its investment progress at the quarterly investor's conference.)

VII.Extempore motion

* A shareholder with account No. 15508 suggested that (1) the Company clarify the investment plan in the market of mainland China more clearly, and if the funds can be repatriated smoothly out of Mainland China. In addition, what would be the maximum possible amount of loss according to the current situation? (2) The Company is mainly engaged in real estate brokerage and first-hand new house business. In response to the capital needs of Taiwan and Mainland China, the Company has increased its share capital and is suffering from the greater fluctuations in annual earnings. At present, should the Company focus on Taiwan more to obtain better performance instead of the foreign investment because we are not familiar with the differences in local laws and industries.

(The above questions were answered by the Chairperson on the spot. As mentioned earlier, the operation policy of the real estate brokerage in Mainland China has been greatly adjusted. At present, the monthly turnover of RMB 4 million can break even the profit and loss. The Group shall focus on the operation of the real estate brokerage business in Shanghai and Suzhou. We shall put more efforts in sales of the Wuxi Project "Shanshuijiating", with a view to completing the sales before the end of this year, and will evaluate more carefully on foreign investment plans.

The Chairperson authorized the Chief Financial Officer, Mr. Chen Chih-Huan to reply. The Chief Financial Officer explained the Shanghai Sinyi Real Estate Inc. has accumulated a profit of 1 share capital (about RMB 800 million). As of the end of last year, the surplus has been distributed successively. At present, the undistributed surplus of this Company is about RMB 20 to 30 million. It has not yet been remitted out of Mainland China to Taiwan. On the other hand, in the second half year of 2022, Sinyi Real Estate (Shanghai) Limited had started the plan to reduce its capital. The reduced capital amounted to RMB 400 million which was successfully remitted out of Mainland China in January this year. It is expected that the liquidation will be completed in the middle of next year and the remaining share capital will be remitted out of Mainland China. In the future, we will devote ourselves to the sale of Project "Shanshuijiating". Only when its cumulative sales rate reaches at least 90% will we evaluate and invest in other target projects, and we will continue to adjust the capital level of the development

business operation in Mainland China based on the future plans and capital utilization of the Group.)

- * A shareholder with account No. 5935 said that (1) the world situation is unstable, and we are here today to cheer for the Company and everyone on the spot. (2) The Company's core competitiveness is ethical, not business-oriented, so the shareholder hopes that the Company can continue to implement the concept, and the connection between the employees' performance and their interests should not be too deep. (3) Facing the transformation period of Mainland China, it is recommended that the Company can reduce the scale of business in the mainland market, but should not completely withdraw from it. Once the general environment changes in the future, it is more likely to adjust the Company's investment policy in the first time.

VIII. Adjournment: 11:33 a.m. on May 18, 2022

※This meeting minutes was recorded in accordance with Article 183, paragraph 4 of the provisions of the Company Act. The meeting audio recording still prevail regarding the meeting content, proceedings and shareholders' statements.

Attachments

Attachment 1

Sinyi Realty Inc.

Business Report of 2022

In 2022, the global pandemic gradually abated, and countries moved into a post-pandemic era. Economic activities slowly returned to normal. At the same time, the economy was impacted by negative factors such as the Russia-Ukraine war, global price increase in raw material and inflation, and significant interest rate hikes in various countries. The total number of building transactions for the year in Taiwan was 318,000, a decrease of 8.6% from the previous year. This was the first decline in nearly six years and also a new low in three years. As a result, the revenue of the brokerage business of Sinyi Realty has decreased by 23%, and that of the first-hand new house business has decreased by 34%. The overall environment has weakened the support for the real estate market. It is predicted that shortly, with weak economic performance, a cooling of inflation expectations, and policies to crack down on speculation, the outlook on housing prices will become more conservative, and self-use demand will become the mainstay of the real estate market.

Throughout its more than 40-year history, Sinyi Realty has always been committed to fulfilling its corporate social responsibility by striving for balanced interests among stakeholders. The Company has placed a long-standing emphasis on environmental aspects, corporate governance, and social inclusion. Being the leader in Taiwan's ESG, Sinyi Realty has been listed among the top 5% of companies in Taiwan Securities Exchange's "Corporate Governance Evaluation" for eight consecutive years and has won the Taiwan Corporate Sustainability Awards (TCSA) for the eighth time, as well as the Taiwan Top 10 Sustainability Exemplary Enterprises Award. Furthermore, Sinyi Realty has supported the "We are ONE" project, a community-building initiative, for 18 consecutive years.

I 、 Industrial environment and business performance

According to the statistics of Sinyi House Price Index in 2022, the housing prices increase across Taiwan's six Special Municipalities ranged from 4% to 21%, continuing the upward trend from the previous year. However, many negative factors, such as economic recession, inflationary spikes, interest rate hikes, and stock market fluctuations, have had a dampening effect on the housing market, leading to low buyer confidence and a decrease in demand. This has resulted in a convergence of housing prices in the fourth quarter of the year.

With a focus on people-oriented spirit, Sinyi Realty has been committed to property technology and innovation in digitization tools. The Company has launched "AI Intelligent Matching" in 2022, which uses big data to understand consumer needs and utilizes AI intelligent algorithm model to makes offline services and digital tools to complement each other, making the overall service more meticulous and more efficient. The sustainable development goals (SDGs) have been introduced to communities by Sinyi Realty, which has also been working on sustainable development. In the same year, 18 of its sustainable stores were carbon neutral. The business has additionally distinguished itself as the sole licensed agent in the real estate sector to receive the Net Zero Label.

The continuous government regulation policies in Greater China and the impact of COVID-19 on consumer confidence have led to a nearly 50% annual decline in the sales of second-hand housing in Shanghai as well as a 36% annual revenue decline for the entire mainland Chinese real estate brokerage business of Sinyi Group.

Japan Sinyi continues to use intelligent technology to deliver high-quality services that satisfy the expectations of customers with emphasis on "innovation services" and "dual-brand Strategy." Together with operating a real estate business in Japan, Japan Sinyi also actively participates in environmental protection, carbon reduction, and community service projects, winning the trust of local clients. In the second half of the year, the gradual lifting the ban of the border of Japan and the depreciation of the yen spurred demand for real estate acquisitions. As a result, the revenue of Japan Sinyi climbed by 24% YoY, setting a record high even under the adverse effect of depreciated Japan yen.

The housing market is currently in a waiting-and-see state due to various government regulations on it and the Zero-Covid strategy on consumer confidence. With 30 units sold throughout the year and a cumulative sales rate of 67%, sales of Project "Shanshuijiating" in Wuxi have slowed. However, the Company's another subsidiary, Sinyi Development Inc., has started to deliver the houses of Project "Jiahe" in Taiwan, which brought in NT\$1,027 million that year. Another project, "Jiabin", which had already been sold out is scheduled to be delivered the houses by the beginning of 2025. Project "Jiabin" leads other development projects in Taiwan by cooperating with the New Taipei City Government and the Institute for Information Industry to implement E-based energy-saving software and hardware, creating energy-efficient homes.

The operating performances in Year 2022 and Year 2021 are summarized as below:

【Analyses on the financial revenues and expenditures and profitability】

Expressed in Million New Taiwan Dollars

Year		Year 2022	Year 2021
Items			
Financial income/expenditure	Operation revenue	13,724	18,792
	Operating income	1,577	3,132
	Non-operating income (expense)	85	97
	Consolidated income before tax	1,662	3,229
	Income tax	426	859
	Net income (attributable to owner of the Company)	1,223	2,350
Profitability	Return on total assets (%)	4%	8%
	Return on equity (%)	10%	20%
	Net income margin (%)	9%	13%
	Earnings per share (\$)	1.66	3.19

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

II 、 External competitive, legal, macroeconomic environment, operating objectives and outlook

The brokerage and relevant house service —

Sinyi Realty actively promotes digital transformation and adopts PropTech in the real estate industry. Continuously researching pain points that clients often face during property transactions, the Company has been launching innovative digital services to provide more diverse and considerate services with technology empowerment. Looking ahead to 2023, as “The Equalization of Land Rights Act” has been revised, market uncertainties will be reduced, but as the short-term rise in housing prices is high, the housing market is expected to enter a period of consolidation. In addition, Sinyi Realty is promoting a brand new trusted-based escrow system, which through the fund supervision of a bank trust account, provides more rigorous protection for real estate transactions and deepens customer trust.

Real estate development business-

By recommending the quality and features of the project through referrals from existing customers and through the integration of offline and online marketing channels, the Project “Shanshuijiating” in WuXi is expected to sell out its remaining houses in 2023. The houses of the Project “Jiahe” has already been fully delivered at the end of February of 2023, with a recognized revenue of NT\$1,911 million in the same year. In addition to Project “Jiapi”, the Xinzhuang Fuduxin residential land which has obtained a building permit will incorporate sustainable elements in the design and is expected to launch in early 2024. The residential land in Nanzih District of Kaohsiung will also integrate green building and energy-saving concepts with Sinyi Development Inc's long-term community-development approach to create a favorable living environment.

Leisure and tourism industry —

Mengalum Island is positioned as a zero-carbon island for the growth of tourism; this requires significant investment in related marine and island restoration efforts as well as extensive planning. Hence, in 2022, we acquired 25.545 hectare of property on the Sabah mainland in Malaysia construct a five-star resort or hotel on that land. As the design, planning, and construction work got started in 2023, collaboration with well-known hotel brands was looked into. With Mengalum Island across the water, potential tourism development may be possible.

Outlook —

Running a business is not just about making a profit, rather it is a social movement to

constantly improve this land. Sinyi Realty and its subsidiary companies view sustainable development as their responsibility and strive to enhance their internal management and governance abilities. We actively serve the community and meet the needs of residents, making the community and residents better. We are in line with the world, facing the challenges of global warming issues and sudden environmental crises together. We also have transformed the principle of "moving towards a sustainable net zero" into concrete actions, and set up goals to achieve zero emissions. The Company is fully implementing ESG, expecting not only to bring substantial returns to shareholders but also to bring values with significant impact to stakeholders.

Attachment 2

Sinyi Realty Inc.

Audit Committee's Review Report

We have agreed and submitted the Company's 2022 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 2022 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 2022 financial statements, 2022 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
2023 Annual General Shareholders' Meeting

Sinyi Realty Inc.
Convener of Audit Committee:

Yen, Lou-Yu
February 22, 2023

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 the systematization of the internal control self-evaluation operation, and the implementation details such as the five-point scale for the self-evaluation score can be reviewed and adjusted in due course. 2. CPA report to Committee Members the results of the audit of the 2011 financial statements.
	Audit Committee	Report on performance in internal audit	1. 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. 2. 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.
		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.
05/30/2022	Audit Committee	Report on performance in internal audit	Noted.
06/13/2022	Audit Committee	Report on performance in internal audit	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.
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 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. 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.
09/07/2022	Audit Committee	Report on performance in internal audit	<p>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.</p> <p>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.</p>
09/27/2022	Audit Committee	Report on performance in internal audit	Noted.
10/26/2022	Forum	<p>1. The internal audit unit's execution of work for 2022 and the draft plan of internal audit for 2023</p> <p>2. Communication between the Audit Committee and CPA about the audit planning of 2022 financial statements.</p>	<p>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.</p> <p>2. CPA report to Committee Members on the 2022 annual audit plan (including audit scope and methods, key audit matters, etc.) and recent legal updates.</p>
	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.
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Attachment 4

Sinyi Realty Inc.
Tables of Comparison of Amended Sustainability Development
Best Practice Principles

Amended Article	Current Article	Description
<u>Article 27-1</u> <u>The Company should continue to pour resources into cultural and artistic activities or cultural and creative industries through donations, sponsorship, investment, procurement, strategic cooperation, corporate voluntary technical services, or other support models to promote cultural development.</u>	(Nil)	Revision was made in accordance with Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies.

Sinyi Realty Inc.

Concrete promotion plans for Sustainable Development Principles programs

Topic	Target of 2023 Program
Environment	<p>1. Achieving Net Zero Emissions Goals</p> <ul style="list-style-type: none"> Greenhouse gas (Category 1+2) reduction by 4.2% Increase the proportion of renewable energy by 16% Implemented the ISO 14064-1 organizational greenhouse gas inventory and expanded the scope of the inventory to Sinyi Japan Continue to promote key suppliers' greenhouse gas inventory and reduction Promote 17 sustainable stores and demonstration sites to achieve PAS 2060 carbon neutrality <p>2. Obtain certifications and marks</p> <ul style="list-style-type: none"> Obtained various ISO certifications, including ISO 14067 Service Carbon Footprint, ISO 14046 Water Footprint, ISO 14001 Environmental Management System, ISO 50001 Energy Management System, ISO 46001 Water Resource Efficiency Management System Promote the Environmental Protection Agency's Green Office Label certification <p>3. Improve environmental influence</p> <ul style="list-style-type: none"> Continuous implementation of green procurement policies Respond to domestic and foreign initiatives and activities: <ul style="list-style-type: none"> -Carbon Disclosure Program (CDP) -Science Based Target initiative (SBTi) -BCSD Nature and Biodiversity Initiative Platform Continue to promote environmental education and environmental rehabilitation <ul style="list-style-type: none"> -Support for "endangered plant conservation activities" -Research on natural carbon sinks and carbon rights acquisition
Social	<p>1. Efforts to attract outstanding talents</p> <ul style="list-style-type: none"> Execute Management Associate Plan of Sinyi Shape the work brands that new generations yearn for Cultivation of key functions of colleagues and supervisors Execute the personal development plan for key talents Develop a digital learning environment Refined compensation, leave and performance system of business units <p>2. Healthy and happy workplaces</p> <ul style="list-style-type: none"> Obtain the certification of ISO45001 Occupational Safety and Health Create a high-quality work field Optimize employee opinion communication mechanism Flexible hours for work-life balance Flexible benefits that meet employee needs <p>3. Digital innovation can create service capabilities that exceed expectations</p> <ul style="list-style-type: none"> Make good use of digital tools to improve service efficiency Further application of DiNDON Smart House Appreciation, a zero-touch service Diffusion of residential life services <p>4. Combine resources to strengthen influential powers</p> <ul style="list-style-type: none"> Plan community services and carry out cross-industry cooperation in the direction of the United Nations Sustainable Development Goals Continuously promote community development program, expand exchanges among different ethnic groups Continues to assist local characteristics, industries, talent mining and resource

Topic	Target of 2023 Program
	<p>matching, so as to achieve the goal of balanced development of urban and rural areas through Taiwan Regional Revitalization Foundation</p> <ul style="list-style-type: none"> • Promote multi-flexible community volunteer services • In response to the impact of the epidemic, the Sinyi Lecture Hall resumed to physical, conveying the spirit of co-creation, co-learning, and co-benefits • In cooperation with cross-disciplinary units and the use of emerging media, jointly initiate corporate ethics issues through the combination with online and offline media through the Sinyi Cultural Foundation and the Chinese Association for Ethical Education of Enterprises <p>5.Sound supply chain management</p> <ul style="list-style-type: none"> • Obtained ISO 20400 sustainable procurement certification • Share learning resources and initiatives, and jointly commit to Sinyi Group's 2030 Net Zero Declaration with key suppliers • Strengthen the connotation of "Environmental, Social and Corporate Governance (ESG)" in the supplier selection procedures or forms, including supplier ESG risk self-assessment form, legitimate business behavior and sustainable development commitment, deepening the connotation of visits, tracking supplier social impact, jointly improve ESG sustainable performance
Governance	<p>1. Effectively perform the functions of directors</p> <ul style="list-style-type: none"> • Execute the three-year outsourcing director performance evaluation plan <p>2.Improve information transparency and disclosure</p> <ul style="list-style-type: none"> • Continue to publish various reports <p>3.Improving Due Diligence Governance</p> <ul style="list-style-type: none"> • Obtained the top 5% of the listed companies annual corporate governance evaluation in 2023 • Receive corporate governance system evaluation certification • Implementation of annual audit plan and audit of subsidiaries • Continue to optimize the information security framework <p>4.Sustainable governance culture</p> <ul style="list-style-type: none"> • Continue to issue TCFD reports and pass verification • Obtained various ISO certifications • Continue to refine and monitor the Group's major risk management

Attachment 6

Sinyi Realty Inc. Report on Operation of the Company's Board of Directors and its Functional Committees of 2022

1. The operation of the Company's Board of Directors

In Year 2022, the board of directors of the Company convened a total of Eleven (14) meetings; at least two independent directors or more would participate in every meeting, presenting a 97% of attendance rate where the directors showed attendance in the following status:

Title	Name	Times of Attendance in Person	Times of Attendance by Proxy	Actual Attendance Rate	Remarks
Chairperson	Representative appointed by Sinyi Co., Ltd.: Liu Yuan-Chih	10	-	100%	New Director. Elected on May 19, 2022, 10 times of should be attendance.
Vice Chairperson	Chou Ken-Yu	14	-	100%	Chou Ken-Yu was originally the representative of Sinyi Co., Ltd. On May 19, 2022, the directors were fully re-elected. Chou Ken-Yu became the natural person director.
Director	Chou Chun-Chi	14	-	100%	Nil
Independent Director	Jhan Hong-Chih	12	2	100%	Entrusted the other Independent Director to attend the meeting held on July 26 and Sep. 7, 2022.
Independent Director	Yen Lou-Yu	14	-	100%	Nil
Independent Director	Li Yi-Li	13	1	91%	Entrusted the other Independent Director to attend the meeting held on June 13, 2022.
Independent Director	Wu Chih-Wei	10	-	100%	New Director. Elected on May 19, 2022, 10 times of should be attendance.
Former Chairperson	Representative of Sinyi Co., Ltd.: Hsueh Chien-Ping	4	-	100%	Former Director. Step down on May 19, 2022, 4 times of should be attendance.

Former Independent Director	Hong San-Xiong	4	-	100%	Former Director. Step down on May 19, 2022, 4 times of should be attendance.
Total		95	3	97%	

2. The operation of the Company's Audit Committee

In 2022, the Audit Committee convened a total of Twelve (12) meetings, in the average participation rate of 94%. The independent directors show the following participation facts:

Title	Name	Times of Attendance in Person	Times of Attendance by Proxy	Actual Attendance Rate	Remarks
Committee member (Convener)	Yen Lou-Yu	12	-	100%	Nil
Committee member	Jhan Hong-Chih	10	2	83%	July 26 and Sep. 7, 2022 entrusted another committee member to attend the meeting.
Committee member	Lee Yi-Li	11	1	92%	June 13, 2022 entrusted another committee member to attend the meeting.
Committee member	Wu Chih-Wei	8	-	100%	New Member. Elected on May 19, 2022, 8 times of should be attendance.
Former Committee member	Hong San-Xiong	4	-	100%	Former Member. Step down on May 19, 2022, 4 times of should be attendance.
Total		45	3	94%	

3. The operation of the Company's Remuneration Committee

In 2022, the Remuneration Committee convened a total of Six (6) meetings with 100% of average attendance rate and the participation facts were as enumerated below:

Title	Name	Times of Attendance in Person	Times of Attendance by Proxy	Actual Attendance Rate	Remarks
Committee member (Convener)	Lee Yi-Li	6	-	100%	Nil
Committee member	Jhan Hong-Chih	6	-	100%	Nil
Committee member	Yen Lou-Yu	6	-	100%	Nil
Committee member	Wu Chih-Wei	3	-	100%	New Member. Elected on May 19, 2022, 3 times of should be attendance.
Former Committee member	Hong San-Xiong	3	-	100%	Former Member. Step down on May 19, 2022, 3 times of should be attendance.
Total		24	-	100%	

4. The operation of the Company's Nomination Committee

In 2022, the Nomination Committee convened a total of Three (3) meetings with 100% of average attendance rate. The attendance facts of the Nomination Committee were enumerated below:

Title	Name	Times of Attendance in Person	Times of Attendance by Proxy	Actual Attendance Ratio	Remarks
Committee member(Convener)	Jhan Hong-Chih	3	-	100%	Nil
Committee member	Yen Lou-Yu	3	-	100%	Nil

Title	Name	Times of Attendance in Person	Times of Attendance by Proxy	Actual Attendance Ratio	Remarks
Committee member	Chou Chun-Chi	3	-	100%	Nil
Committee member	Lee Yi-Li	3	-	100%	Nil.
Committee member	Wu Chih-Wei	1	-	100%	New Member. Elected on May 19, 2022, 1 times of should be attendance.
Former Committee member	Hong San-Xiong	2	-	100%	Former Member. Step down on May 19, 2022, 3 times of should be attendance.
Total		15	-	100%	

Attachment 7

Sinyi Realty Inc.

2022 directors' remuneration policy, individual remuneration content and amount

Expressed in Thousands of New Taiwan Dollars

Title	Name	Remuneration for Directors								The total amount of A, B, C and D & Ratio(%) of the Aggregate Amount of A, B, C and D to the Net Income After Tax	Remuneration Received by Concurrent Employees														The total amount of A, B, C, D,E,F and G & Ratio (%) of the Aggregate Amount of A, B, C, D, E, F and G to the Net Income After Tax (Note 5)	Whether Receiving Remuneration from any Companies Invested by the Company Other Than the Subsidiaries of the Company or Not					
		Compensation (A)		Pension (B)		Remuneration (C) (Note 1)		Fees for Performance of Business (D) (Note 2)			Wages, Bonus and Special Disbursement, etc. (E) (Note 2 and 3)		Pension (F)		Employee Remuneration (G) (Note 4)				Number of Shares Granted under the Share Subscription Warrants for Employees (H)		Number of the Restricted Shares for Employees (I)										
		All Companies Specified in the Financial Statements		All Companies Specified in the Financial Statements		All Companies Specified in the Financial Statements		All Companies Specified in the Financial Statements		All Companies Specified in the Financial Statements		All Companies Specified in the Financial Statements		All Companies Specified in the Financial Statements		All Companies Specified in the Financial Statements		All Companies Specified in the Financial Statements		All Companies Specified in the Financial Statements		All Companies Specified in the Financial Statements		All Companies Specified in the Financial Statements		All Companies Specified in the Financial Statements					
		The Company		The Company		The Company		The Company		The Company		The Company		The Company		The Company		The Company		The Company		The Company		The Company		The Company		The Company			
Chairperson	Sinyi Co., Ltd.	-	-	-	-	2,077	2,077	-	-	2,077	0.17%	2,077	0.17%	-	-	-	-	-	-	-	-	-	-	-	-	2,077	0.17%	2,077	0.17%	Nil	
	Representative of Sinyi Co., Ltd.: Liu Yuan-Chih	-	-	-	-	-	-	-	-	-	-	-	-	9,037	9,037	240	240	10	-	10	-	-	-	-	-	-	9,287	0.76%	9,287	0.76%	1,237
Vice Chairperson	Chou Ken-Yu	-	-	-	-	433	433	-	-	433	0.03%	4,327	4,327	108	108	10	-	10	-	-	-	-	-	-	-	-	4,878	0.40%	4,878	0.40%	77
Director	Chou Chun-Chi	-	-	-	-	-	-	1,691	1,691	1,691	0.14%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,691	0.14%	1,691	0.14%	Nil
Independent Director	Jhan Hong-Chih	1,200	1,200	-	-	700	700	55	55	1,955	0.16%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,955	0.16%	1,955	0.16%	Nil
Independent Director	Yen Lou-Yu	1,200	1,200	-	-	700	700	65	65	1,965	0.16%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,965	0.16%	1,965	0.16%	Nil
Independent Director	Lee Yi-Li	1,200	1,200	-	-	700	700	60	60	1,960	0.16%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,960	0.16%	1,960	0.16%	Nil
Independent Director	Wu Chih-Wei	743	743	-	-	433	433	45	45	1,221	0.10%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,221	0.10%	1,221	0.10%	Nil
Former	Sinyi Co., Ltd.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	Nil	

Chairperson	Representative of Sinyi Co., Ltd.: Hsueh Chien-Ping(Note 8)	-	-	-	-	-	-	-	-	-	-	4,944	6,247	153	153	-	-	-	-	-	-	-	-	5,097 0.41%	6,400 0.52%	763
Former Director	Sinyi Co., Ltd.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	Nil
	Representative of Sinyi Co., Ltd.: Chou Ken-Yu(Note 8)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	Nil
Former Independent Director	Hong San-Xiong(Note 8)	460	460	-	-	267	267	20	20	747 0.06%	747 0.06%	-	-	-	-	-	-	-	-	-	-	-	-	747 0.06%	747 0.06%	Nil
Total		4,803	4,803	-	-	5,310	5,310	1,936	1,936	12,049 0.98%	12,049 0.98%	18,308	19,611	501	501	20	-	20	-	-	-	-	-	30,878 2.52%	32,181 2.63%	2,077

Note 1: As officially resolved by the Board of Directors Meeting on February 22, 2023, the remuneration to directors for 2022 was NT\$5,310 million dollars. The resolution will be reported in the general shareholders' meeting on May 18, 2023.

Note 2: The aforementioned expenses include rental or depreciation expense, fuel expense and maintained expense of the cars used by the Company's Non-Independent Directors.

Note 3: The aforementioned expenses include rental, fuel expense and maintenance expense of the cars used by the Company's Director concurrent employee and house rental provided to him.

Note 4: Employee Remuneration allocated to the director who is a concurrent employee is one part of employee remuneration resolved by the Board of Directors Meeting on February 22, 2023. The resolution shall be reported in the general shareholders' meeting on May 18, 2023.

Note 5: The term "net profit after tax" as set forth herein denotes the net profit after tax as shown through the individual financial statements 2022.

Note 6: The aforementioned expenses include the relevant remuneration NT\$1,439 thousand dollars(including general manager) paid to the chauffeurs to the Company's Non-Independent Directors.

Note 7: Other than those disclosures above, remuneration granted to a director(s) of the Company for rendering services within the contents of the financial statements (e.g., serving as a consultant other than an employee of the company/all companies of the financial report/subsidiaries): Nil.

Note 8: On May 19, 2022, the general meeting of shareholders re-elected all directors, Sinyi Co., Ltd., Mr. Chou Ken-Yu and Mr. Chou Chun-Chi were newly appointed as new directors; Mr. Jan Hong-Chih, Mr. Yen Lou-Yu, Ms. Lee Yi-Li and Mr. Wu Chih-Wei were newly appointed independent directors.

Note 9: Independent directors' remuneration policy, system, standards and structure, and descriptions of the inter-relevance to the amount of remuneration according to the responsibilities, risks, time invested and other factors:

Here at the Company, the independent directors' remuneration is mainly divided into directors' remuneration, directors' payment and expenses for business execution. To an independent director, the directors' remuneration has been duly determined with reference to the level of the independent directors' participation in the Company's business operation, the value of their contribution and the normal standards/criteria prevalent in other listed companies, in an amount of NT\$100,000 dollars per month for an independent director, as an amount duly determined by the board of directors with the powers duly bestowed thereupon. Where the normal standards/criteria prevalent in other listed companies have little to do with the Company's profitability, the level of remuneration granted to the Company's independent directors is believed at a rational level. As expressly provided for in the Company's Articles of Incorporation, upon end of a fiscal year, the remuneration shall be granted to directors pro rata below the specified ratio of the Company's profitability in that year. The remuneration to the independent directors has been further judged with reference to the overall salary and pay levels prevalent in other listed companies (including the remuneration to directors and pay to directors) as well as the level of their participation in the board of directors and functional committees. The salary on business implementation was granted at NT\$5,000 traffic allowance for each attendance in the board of directors meeting, paid based on the substantial fact.

Attachment 8

Sinyi Realty Inc.

The Related Party Transactions of 2022 derived from Non-operating Activities

The Company has been investing in “We are ONE” project for a long time, assisting individuals or groups who are interested in promoting community development. However, most of the community projects are to assist individual cases. Therefore, in order to develop local creation cases into a complete Taiwan creation system, the Company intends to support Taiwan Regional Revitalization Foundation to promote Taiwan's creation system for a long time. Through the spirit of people-oriented, combined with local creation and innovation, we plan to revitalize local industries, create employment and promote population return, to achieve the goal of balancing Taiwan.

On March 31, 2022, the Company's board of directors has resolved to donate NT\$5,800 thousand to Taiwan Regional Revitalization Foundation to support its work plan for 2022.

The foundation implemented a number of projects in 2022 to deepen the interaction and learning with local teams, including:

- (1) "Looking for a way to create a private school-local creation and seeing a school trip", listening to the voices of nearly 90 local creation teams.
- (2) Sharing of 1,000-minute life stories in the 17th series of podcast produced and broadcasted by "Local Voices".
- (3) Hold a series of lectures on local creation, empowerment and brain supplementation.
- (4) Hold the "Afternoon Pitch Matchmaking Fair".
- (5) The community takes root and cultivates the local creation seed plan.
- (6) Start Taiwan and Malaysia Local Creation Platform to share the experience of regional revitalization.
- (7) Publish the first "Regional Creativity Physical Examination Report" in Taiwan, which will not only be provided to people from all walks of life who are concerned about local creativity, but will also serve as the direction of the Foundation's future efforts.

Attachment 9

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Sinyi Realty Inc.

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, 2022 and 2021, 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, 2022 and 2021, 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.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and the Standards on Auditing of the Republic of China. 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 Republic of China, 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, 2022. 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, 2022 are stated as follows:

Revenue Earned from Sales of Real Estate

For the year ended December 31, 2022, the Group's revenue from the sales of real estate was NT\$2,668,176 thousand. Refer to Note 4 to the accompanying consolidated financial statements for the accounting policies of the Group. When the Group's real estate has reached the expected state of use and it has been accepted and qualified for use by relevant departments and the filing procedures have been completed, the Group issues a transfer notice of real estate based on the terms of the contract and recognizes sales revenue on the date of transfer. Since revenue from sales of real estate must be recognized after the real estate meets the above conditions. As Sinyi Development Inc. transferred the ownership of properties to buyers starting from December of 2022 with the carrying amount of NT\$1,026,767 thousand, 38% of total real estate sales revenue. The transactions were concentrated at the end of the year. Therefore, the recognition of revenue earned from the sale of real estate of Sinyi Development Inc. is regarded as a key audit matter.

We tested the controls to understand the timing of the revenue recognition of the sales of real estate. We also evaluated the design and implementation of the relevant control of the Group. We selected samples from Sinyi Development Inc.'s sales transactions of the current year to review the sales contracts signed by both parties to understand the terms and conditions of the contracts, verified whether the collection records of such sales are consistent with the sales prices stated in contracts. We also verified the transfer notices and relevant transfer records to confirm that the revenue from sales of real estate was recognized after the completion of the transfer procedures in order to ensure that the revenue was earned and was properly recorded in the correct accounting period.

Valuation of Inventories

As of December 31, 2022, the carrying amount of inventories was NT\$9,928,737 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, 2022 and 2021, 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 Republic of China 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 Standards on Auditing of the Republic of China 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 Standards on Auditing of the Republic of China, 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, 2022 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 Pan-Fa Wang and Chin-Chuan Shih.

Deloitte & Touche
Taipei, Taiwan
Republic of China

February 22, 2023

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 Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such consolidated financial statements are those generally applied in the Republic of China.

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 Republic of China. 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, 2022 AND 2021 (In Thousands of New Taiwan Dollars)

ASSETS	2022		2021	
	Amount	%	Amount	%
CURRENT ASSETS				
Cash and cash equivalents (Notes 4 and 6)	\$ 8,310,286	25	\$ 9,546,619	29
Financial assets at fair value through profit or loss - current (Notes 4 and 7)	-	-	47,588	-
Financial assets at fair value through other comprehensive income - current (Notes 4 and 8)	386,213	1	436,843	1
Notes receivable (Notes 4 and 9)	76,667	-	104,707	-
Trade receivables (Notes 4, 9 and 32)	896,903	3	1,261,045	4
Other receivables (Notes 4, 9 and 32)	97,080	-	93,601	-
Current tax assets (Notes 4 and 27)	9,796	-	14,151	-
Inventories (Notes 4, 5, 10 and 33)	9,928,737	29	9,503,190	29
Other financial assets - current (Notes 11 and 33)	2,060,956	6	137,853	1
Other current assets (Note 18)	<u>350,441</u>	<u>1</u>	<u>238,433</u>	<u>1</u>
Total current assets	<u>22,117,079</u>	<u>65</u>	<u>21,384,030</u>	<u>65</u>
NON-CURRENT ASSETS				
Financial asset at fair value through profit or loss - non-current (Notes 4 and 7)	2,500	-	-	-
Financial assets at fair value through other comprehensive income - non-current (Notes 4 and 8)	180,074	1	234,726	1
Investments accounted for using the equity method (Notes 4 and 13)	65,434	-	51,622	-
Property, plant and equipment (Notes 4, 5, 14 and 33)	3,800,121	11	3,504,681	11
Right-of-use assets (Notes 4, 5 and 15)	4,742,488	14	4,822,700	15
Investment properties (Notes 4, 5, 16 and 33)	1,934,534	6	2,174,234	6
Intangible assets (Notes 4 and 17)	44,056	-	59,936	-
Deferred tax assets (Notes 4 and 27)	173,776	-	217,830	1
Refundable deposits	144,631	-	132,539	-
Other Financial assets - non-current (Notes 11 and 33)	859,880	3	332,200	1
Other non-current assets (Note 18)	<u>6,104</u>	<u>-</u>	<u>6,294</u>	<u>-</u>
Total non-current assets	<u>11,953,598</u>	<u>35</u>	<u>11,536,762</u>	<u>35</u>
TOTAL	<u>\$ 34,070,677</u>	<u>100</u>	<u>\$ 32,920,792</u>	<u>100</u>
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings (Notes 19 and 33)	\$ 1,098,077	3	\$ -	-
Contract liabilities - current (Note 25)	1,514,707	4	1,723,403	5
Notes payable	552	-	-	-
Trade payables (Note 21)	607,472	2	811,840	2
Other payables (Notes 22 and 32)	3,003,058	9	3,774,976	12
Current tax liabilities (Notes 4 and 27)	339,853	1	1,256,585	4
Provisions - current (Note 4)	2,070	-	8,443	-
Lease liabilities - current (Notes 4, 15 and 32)	526,700	2	549,615	2
Current portion of long-term borrowings and bonds payable (Notes 19, 20 and 33)	3,700,000	11	29,668	-
Other current liabilities (Note 22)	<u>339,643</u>	<u>1</u>	<u>377,476</u>	<u>1</u>
Total current liabilities	<u>11,132,132</u>	<u>33</u>	<u>8,532,006</u>	<u>26</u>
NON-CURRENT LIABILITIES				
Bonds payable (Note 20)	900,000	3	4,600,000	14
Long-term borrowings (Notes 19 and 33)	5,953,017	18	2,588,321	8
Deferred tax liabilities (Notes 4 and 27)	116,670	-	210,853	1
Provisions - non-current (Note 4)	10,763	-	5,572	-
Lease liabilities - non-current (Notes 4, 15 and 32)	2,800,989	8	2,899,375	9
Net defined benefit liabilities - non-current (Notes 4 and 23)	10,602	-	175,797	-
Guarantee deposits received	33,206	-	38,244	-
Other non-current liabilities (Note 22)	<u>1,167,818</u>	<u>3</u>	<u>1,304,907</u>	<u>4</u>
Total non-current liabilities	<u>10,993,065</u>	<u>32</u>	<u>11,823,069</u>	<u>36</u>
Total liabilities	<u>22,125,197</u>	<u>65</u>	<u>20,355,075</u>	<u>62</u>
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Note 24)				
Ordinary shares	<u>7,368,465</u>	<u>22</u>	<u>7,368,465</u>	<u>22</u>
Capital surplus	<u>63,790</u>	<u>-</u>	<u>63,896</u>	<u>-</u>
Retained earnings				
Legal reserve	2,762,813	8	2,518,043	8
Special reserve	1,061,567	3	772,692	2
Unappropriated earnings	<u>1,518,347</u>	<u>5</u>	<u>2,773,945</u>	<u>9</u>
Total retained earnings	<u>5,342,727</u>	<u>16</u>	<u>6,064,680</u>	<u>19</u>
Other equity (Notes 4 and 24)				
Exchange differences on translating the financial statements of foreign operations	(997,561)	(3)	(1,302,170)	(4)
Unrealized gain on investments in equity instruments at fair value through other comprehensive income	<u>41,562</u>	<u>-</u>	<u>240,603</u>	<u>1</u>
Total other equity	<u>(955,999)</u>	<u>(3)</u>	<u>(1,061,567)</u>	<u>(3)</u>
Total equity attributable to owners of the Company	11,818,983	35	12,435,474	38
NON-CONTROLLING INTERESTS (Note 24)	<u>126,497</u>	<u>-</u>	<u>130,243</u>	<u>-</u>
Total equity	<u>11,945,480</u>	<u>35</u>	<u>12,565,717</u>	<u>38</u>
TOTAL	<u>\$ 34,070,677</u>	<u>100</u>	<u>\$ 32,920,792</u>	<u>100</u>

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, 2022 AND 2021

(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2022		2021	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 4, 25, 32 and 37)				
Sales revenue	\$ 2,668,176	19	\$ 4,517,084	24
Service revenue	<u>11,055,550</u>	<u>81</u>	<u>14,275,237</u>	<u>76</u>
Total operating revenue	<u>13,723,726</u>	<u>100</u>	<u>18,792,321</u>	<u>100</u>
OPERATING COSTS (Notes 10, 23, 26 and 32)				
Cost of sales	2,159,325	16	3,654,843	20
Service cost	<u>8,325,293</u>	<u>61</u>	<u>10,211,461</u>	<u>54</u>
Total operating costs	<u>10,484,618</u>	<u>77</u>	<u>13,866,304</u>	<u>74</u>
GROSS PROFIT	<u>3,239,108</u>	<u>23</u>	<u>4,926,017</u>	<u>26</u>
OPERATING EXPENSES (Notes 9, 23, 26 and 32)				
General and administrative expenses	1,659,880	12	1,794,310	9
Expected credit loss (gain)	<u>1,926</u>	<u>-</u>	<u>(372)</u>	<u>-</u>
Total operating expenses	<u>1,661,806</u>	<u>12</u>	<u>1,793,938</u>	<u>9</u>
OPERATING INCOME	<u>1,577,302</u>	<u>11</u>	<u>3,132,079</u>	<u>17</u>
NON-OPERATING INCOME AND EXPENSES				
Interest income (Note 26)	124,330	1	103,900	1
Rental income (Note 32)	90,357	1	103,724	-
Dividend income	13,079	-	12,794	-
Other gains and losses (Notes 4, 16, 17, 26 and 32)	14,489	-	26,348	-
Finance costs (Notes 26 and 32)	<u>(157,532)</u>	<u>(1)</u>	<u>(149,904)</u>	<u>(1)</u>
Total non-operating income and expenses	<u>84,723</u>	<u>1</u>	<u>96,862</u>	<u>-</u>
PROFIT BEFORE INCOME TAX FROM CONTINUING OPERATIONS	1,662,025	12	3,228,941	17
INCOME TAX EXPENSE (Notes 4 and 27)	<u>(425,817)</u>	<u>(3)</u>	<u>(858,582)</u>	<u>(4)</u>
NET PROFIT FOR THE YEAR	<u>1,236,208</u>	<u>9</u>	<u>2,370,359</u>	<u>13</u>

(Continued)

SINYI REALTY INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2022		2021	
	Amount	%	Amount	%
OTHER COMPREHENSIVE INCOME (LOSS)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans (Note 23)	\$ 148,611	1	\$ (18,833)	-
Unrealized gain (loss) on investments in equity instruments at fair value through other comprehensive income	(196,454)	(1)	57,075	-
Share of the other comprehensive (loss) income of associates accounted for using the equity method	(2,587)	-	2,740	-
Income tax (expense) benefit relating to items that will not be reclassified subsequently to profit or loss (Note 27)	(29,722)	-	3,767	-
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating the financial statements of foreign operations	304,605	2	(236,485)	(1)
Other comprehensive income (loss) for the year, net of income tax	224,453	2	(191,736)	(1)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 1,460,661</u>	<u>11</u>	<u>\$ 2,178,623</u>	<u>12</u>
NET PROFIT ATTRIBUTABLE TO:				
Owners of the Company	\$ 1,223,336	9	\$ 2,349,841	13
Non-controlling interests	12,872	-	20,518	-
	<u>\$ 1,236,208</u>	<u>9</u>	<u>\$ 2,370,359</u>	<u>13</u>
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Owners of the Company	\$ 1,446,785	11	\$ 2,158,822	12
Non-controlling interests	13,876	-	19,801	-
	<u>\$ 1,460,661</u>	<u>11</u>	<u>\$ 2,178,623</u>	<u>12</u>
EARNINGS PER SHARE (Note 28)				
Basic	<u>\$ 1.66</u>		<u>\$ 3.19</u>	
Diluted	<u>\$ 1.66</u>		<u>\$ 3.18</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, 2022 AND 2021 (In Thousands of New Taiwan Dollars)

	Equity Attributable to Owners of the Company									
						Other Equity		Total	Non-controlling Interests	Total Equity
						Exchange Differences on Translating Foreign Operations	Unrealized Gain (Loss) on Investments in Equity Instruments at Fair Value through Other Comprehensive Income			
	Share Capital		Retained Earnings							
	Ordinary Shares	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings					
BALANCE AT JANUARY 1, 2021	\$ 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
Appropriation of 2020 earnings										
Legal reserve	-	-	172,251	-	(172,251)	-	-	-	-	-
Special reserve	-	-	-	185,377	(185,377)	-	-	-	-	-
Cash dividends	-	-	-	-	(1,252,639)	-	-	(1,252,639)	-	(1,252,639)
Net profit for the year ended December 31, 2021	-	-	-	-	2,349,841	-	-	2,349,841	20,518	2,370,359
Other comprehensive (loss) income for the year ended December 31, 2021, net of income tax	-	-	-	-	(14,349)	(236,485)	59,815	(191,019)	(717)	(191,736)
Total comprehensive income (loss) for the year ended December 31, 2021	-	-	-	-	2,335,492	(236,485)	59,815	2,158,822	19,801	2,178,623
Cash dividends distributed by subsidiaries	-	-	-	-	-	-	-	-	(15,251)	(15,251)
Disposal of investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	112,205	-	(112,205)	-	-	-
BALANCE AT DECEMBER 31, 2021	7,368,465	63,896	2,518,043	772,692	2,773,945	(1,302,170)	240,603	12,435,474	130,243	12,565,717
Appropriation of 2021 earnings										
Legal reserve	-	-	244,770	-	(244,770)	-	-	-	-	-
Special reserve	-	-	-	288,875	(288,875)	-	-	-	-	-
Cash dividends	-	-	-	-	(2,063,170)	-	-	(2,063,170)	-	(2,063,170)
Difference between consideration and carrying amount of subsidiaries acquired	-	(106)	-	-	-	-	-	(106)	106	-
Net profit for the year ended December 31, 2022	-	-	-	-	1,223,336	-	-	1,223,336	12,872	1,236,208
Other comprehensive income (loss) for the year ended December 31, 2022, net of income tax	-	-	-	-	117,881	304,609	(199,041)	223,449	1,004	224,453
Total comprehensive (loss) income for the year ended December 31, 2022	-	-	-	-	1,341,217	304,609	(199,041)	1,446,785	13,876	1,460,661
Cash dividends distributed by the subsidiaries	-	-	-	-	-	-	-	-	(17,728)	(17,728)
BALANCE AT DECEMBER 31, 2022	\$ 7,368,465	\$ 63,790	\$ 2,762,813	\$ 1,061,567	\$ 1,518,347	\$ (997,561)	\$ 41,562	\$ 11,818,983	\$ 126,497	\$ 11,945,480

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, 2022 AND 2021 (In Thousands of New Taiwan Dollars)

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 1,662,025	\$ 3,228,941
Adjustments for:		
Depreciation expenses	685,442	696,825
Amortization expenses	32,647	32,135
Expected credit loss recognized (reversed) on trade receivables	1,926	(372)
(Gain) loss on financial assets at fair value through profit or loss	(156)	128
Finance costs	183,444	192,680
Interest income	(124,330)	(103,900)
Dividend income	(13,079)	(12,794)
Share of profit of associates and joint ventures	(16,896)	(11,277)
Net loss on disposal of property, plant and equipment	2,860	2,594
Net loss (gain) on disposal of investment properties	199	(7,253)
Impairment loss recognized on non-financial assets	82,874	64,215
Changes in operating assets and liabilities		
Financial assets at fair value through profit or loss	45,244	57,494
Notes receivable	28,040	(57)
Trade receivables	362,216	(13,766)
Other receivables	(4,618)	(41,894)
Inventories	(411,408)	1,802,859
Other current assets	(112,008)	7,659
Contract liabilities	(208,696)	243,874
Notes payable	552	(487)
Trade payables	(204,368)	536,979
Other payables	(785,340)	666,689
Provisions	(1,182)	5,571
Other current liabilities	(37,833)	118,899
Other operating liabilities	(183,396)	375,965
Cash generated from operations	984,159	7,841,707
Interest received	125,469	103,810
Interest paid	(179,054)	(198,101)
Income tax paid	(1,388,323)	(715,078)
Net cash (used in) generated from operating activities	(457,749)	7,032,338
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at fair value through other comprehensive income	(56,714)	(6,569)
Proceeds from sale of financial assets at fair value through other comprehensive income	-	311,903
Payments for property, plant and equipment	(134,166)	(111,726)
Proceeds from disposal of property, plant and equipment	987	2,197
Increase in refundable deposits	(33,893)	(7,593)
Payments for intangible assets	(16,805)	(39,029)
Payments for investment properties	(56,880)	(32,200)

(Continued)

SINYI REALTY INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars)

	2022	2021
Proceeds from disposal of investment properties	\$ 745	\$ 64,691
Increase in other financial assets	(2,450,783)	(353,694)
Decrease (increase) in other non-current assets	190	(584)
Dividends received	<u>13,576</u>	<u>13,246</u>
Net cash used in investing activities	<u>(2,733,743)</u>	<u>(159,358)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in short-term borrowings	1,098,077	-
Proceeds from bonds payable	-	(700,000)
Increase in long-term borrowings	16,744,893	11,954,227
Repayment of long-term borrowings	(13,434,520)	(13,149,779)
Increase (decrease) in refund of guarantee deposits	(5,038)	6,221
Increase (decrease) in other payables to related parties	8,878	(8,688)
Repayment of the principal portion of lease liabilities	(509,862)	(516,531)
Dividends paid to owners of the Company	(2,063,170)	(1,252,639)
Repayment of the cash dividends of non-controlling interests	<u>(17,728)</u>	<u>(15,251)</u>
Net cash generated from (used in) financing activities	<u>1,821,530</u>	<u>(3,682,440)</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	<u>133,629</u>	<u>(27,441)</u>
(DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(1,236,333)	3,163,099
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>9,546,619</u>	<u>6,383,520</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u><u>\$ 8,310,286</u></u>	<u><u>\$ 9,546,619</u></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, 2022 and 2021, 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, 2022 and 2021, 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 the Standards on Auditing of the Republic of China. 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 Republic of China, 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 financial statements for the year ended December 31, 2022. 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, 2022 are stated as follows:

Evaluation of Profit and Loss Recognition of Investments Accounted for Using the Equity

Method - Revenue Earned from Sales of Real Estate

As stated in Note 11 to the accompanying financial statements, as of December 31, 2022, the carrying amount of the investment in Sinyi Development Inc. (Sinyi Development) accounted for using the equity method is NT\$1,638,150 thousand, representing 6% of the Company's assets. For the year ended December 31, 2022, the amount of profit accounted for using the equity method is NT\$97,358 thousand, representing 7% of the Company's total comprehensive income. We identified the financial position and performance of Sinyi Development to have material impact on the Company's financial statements.

For the year ended December 31, 2022, revenue from the sales of real estate of Sinyi Development was NT\$1,026,767 thousand. Refer to Note 4 to the consolidated financial statements for the 2022 accounting policies of real estate sales revenue of Sinyi Development. When the company's real estate has reached the expected state of use and it has been accepted and qualified for use by relevant departments and the filing procedures have been completed, Sinyi Development issues a transfer notice of real estate based on the terms of the contract and recognizes sales revenue on the date of transfer. Since revenue from sales of real estate must be recognized after the real estate meets the above conditions, the recognition of revenue earned from the sale of real estate is regarded as a key audit matter.

We tested the control to understand the timing of the revenue recognition of the sales of real estate. We also evaluated the design and implementation of the relevant control of Sinyi Development. We selected samples from sales transactions of the current year to review the sales contracts signed by both parties to understand the terms and conditions of the contracts, verified whether the collection records of such sales are consistent with the sales prices stated in contracts. We also verified the transfer notices and relevant transfer records to confirm that the revenue from sales of real estate was recognized after the completion of the transfer procedures and verified that the revenue was earned and was properly recorded in the correct accounting period.

Valuation of Inventories - Investments Accounted for Using the Equity Method

As stated in Note 11 to the accompanying financial statements, as of December 31, 2022, the carrying amount of the investments in Sinyi International Limited ("Sinyi International") and Sinyi Development, which were accounted for using the equity method, was NT\$12,250,247 thousand and NT\$1,638,150 thousand, representing 44% and 6% of the Company's assets, respectively. For the year ended December 31, 2022, the share of profit (loss) of the investments in Sinyi International and Sinyi Development, which were accounted for using the equity method was NT\$238,885 thousand and NT\$97,358 thousand, representing 17% and 7% 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, 2022, the total carrying amount of inventories of Sinyi International, Sinyi International's subsidiaries, and Sinyi Development were NT\$9,928,737 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 Standards on Auditing of the Republic of China 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 Standards on Auditing of the Republic of China, 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, 2022 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 Pan-Fa Wang and Chin-Chuan Shih.

Deloitte & Touche
Taipei, Taiwan
Republic of China

February 22, 2023

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 Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such financial statements are those generally applied in the Republic of China.

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 Republic of China. 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, 2022 AND 2021 (In Thousands of New Taiwan Dollars)

ASSETS	2022		2021	
	Amount	%	Amount	%
CURRENT ASSETS				
Cash and cash equivalents (Notes 4 and 6)	\$ 601,894	2	\$ 658,568	3
Financial assets at fair value through other comprehensive income - current (Notes 4 and 8)	109,723	1	119,892	-
Notes receivable (Notes 4 and 9)	64,802	-	96,745	-
Trade receivables (Notes 4 and 9)	634,364	2	949,317	4
Trade receivables from related parties (Notes 4 and 29)	93,620	1	174,781	1
Other receivables (Notes 4 and 9)	30,546	-	23,515	-
Other receivables from related parties (Notes 4 and 29)	1,731,616	6	334,474	1
Current tax assets (Notes 4 and 24)	270	-	2,867	-
Other financial assets (Notes 10 and 30)	5,000	-	5,000	-
Other current assets (Note 16)	20,491	-	23,707	-
Total current assets	3,292,326	12	2,388,866	9
NON-CURRENT ASSETS				
Financial assets at fair value through profit or loss - non-current (Notes 4 and 7)	2,500	-	-	-
Financial assets at fair value through other comprehensive income - non-current (Notes 4 and 8)	105,404	-	111,183	-
Investments accounted for using the equity method (Notes 4, 11 and 29)	16,069,803	57	15,619,751	59
Property, plant and equipment (Notes 4, 12 and 30)	3,307,586	12	2,868,183	11
Right-of-use assets (Notes 4 and 13)	2,948,536	11	2,876,567	11
Investment properties (Notes 4, 14 and 30)	2,151,179	8	2,523,093	10
Intangible assets (Notes 4 and 15)	36,794	-	49,217	-
Deferred tax assets (Notes 4 and 24)	94,566	-	82,483	-
Refundable deposits	115,523	-	99,404	-
Other non-current assets (Note 16)	6,104	-	6,293	-
Total non-current assets	24,837,995	88	24,236,174	91
TOTAL	\$ 28,130,321	100	\$ 26,625,040	100
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Other payables (Notes 19 and 29)	\$ 2,383,867	8	\$ 3,107,737	12
Other payables to related parties (Note 29)	979,880	3	160,125	-
Current tax liabilities (Notes 4 and 24)	286,574	1	599,063	2
Lease liability - current (Notes 4, 13 and 29)	465,160	2	438,987	2
Current portion of long-term borrowings and bonds payable (Note 18)	3,700,000	13	-	-
Other current liabilities (Note 19)	138,256	1	237,478	1
Total current liabilities	7,953,737	28	4,543,390	17
NON-CURRENT LIABILITIES				
Bonds payable (Note 18)	900,000	3	4,600,000	17
Long-term borrowings (Notes 17 and 30)	3,799,931	14	1,149,814	4
Deferred tax liabilities (Notes 4 and 24)	30,614	-	-	-
Lease liabilities - non-current (Notes 4, 13 and 29)	2,538,098	9	2,479,167	9
Net defined benefit liabilities - non-current (Notes 4 and 20)	6,679	-	154,267	1
Guarantee deposits received	32,150	-	37,211	-
Other non-current liabilities (Notes 11 and 19)	1,050,129	4	1,225,717	5
Total non-current liabilities	8,357,601	30	9,646,176	36
Total liabilities	16,311,338	58	14,189,566	53
EQUITY (Note 21)				
Ordinary shares	7,368,465	26	7,368,465	28
Capital surplus	63,790	-	63,896	-
Retained earnings				
Legal reserve	2,762,813	10	2,518,043	10
Special reserve	1,061,567	4	772,692	3
Unappropriated earnings	1,518,347	5	2,773,945	10
Total retained earnings	5,342,727	19	6,064,680	23
Other equity (Notes 4 and 21)				
Exchange differences on translating the financial statements of foreign operations	(997,561)	(3)	(1,302,170)	(5)
Unrealized gain on investments in equity instruments at fair value through other comprehensive income	41,562	-	240,603	1
Total other equity	(955,999)	(3)	(1,061,567)	(4)
Total equity	11,818,983	42	12,435,474	47
TOTAL	\$ 28,130,321	100	\$ 26,625,040	100

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

SINYI REALTY INC.

STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2022		2021	
	Amount	%	Amount	%
OPERATING REVENUE				
Service revenue (Notes 4 and 22)	\$ 10,077,630	100	\$ 13,297,719	100
OPERATING COSTS (Notes 20, 23 and 29)	<u>7,548,670</u>	<u>75</u>	<u>9,357,465</u>	<u>70</u>
GROSS PROFIT	<u>2,528,960</u>	<u>25</u>	<u>3,940,254</u>	<u>30</u>
OPERATING EXPENSES (Notes 20, 23 and 29)				
General and administrative expense	1,079,356	11	1,050,359	8
Expected credit loss (reversed) (Note 9)	<u>200</u>	<u>-</u>	<u>(180)</u>	<u>-</u>
Total operating expenses	<u>1,079,556</u>	<u>11</u>	<u>1,050,179</u>	<u>8</u>
PROFIT FROM OPERATIONS	<u>1,449,404</u>	<u>14</u>	<u>2,890,075</u>	<u>22</u>
NON-OPERATING INCOME AND EXPENSES				
Interest income (Notes 23 and 29)	17,914	-	2,422	-
Rental income (Note 29)	104,477	1	119,080	1
Dividend income	3,572	-	2,839	-
Other gains (Notes 11, 14, 23 and 29)	12,342	-	83,300	1
Finance costs (Notes 23 and 29)	(155,498)	(1)	(126,965)	(1)
Share of profit or loss of subsidiaries, associates and joint ventures (Note 4)	<u>73,187</u>	<u>1</u>	<u>(80,104)</u>	<u>(1)</u>
Total non-operating income and expenses	<u>55,994</u>	<u>1</u>	<u>572</u>	<u>-</u>
PROFIT BEFORE INCOME TAX FROM CONTINUING OPERATIONS	1,505,398	15	2,890,647	22
INCOME TAX EXPENSE (Notes 4 and 24)	<u>(282,062)</u>	<u>(3)</u>	<u>(540,806)</u>	<u>(4)</u>
NET PROFIT FOR THE YEAR	<u>1,223,336</u>	<u>12</u>	<u>2,349,841</u>	<u>18</u>

(Continued)

SINYI REALTY INC.

STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2022		2021	
	Amount	%	Amount	%
OTHER COMPREHENSIVE INCOME (LOSS)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans (Note 20)	\$ 146,801	1	\$ (16,599)	-
Unrealized (loss) gain on investments in equity instruments at fair value through other comprehensive income	(72,662)	(1)	6,223	-
Share of other comprehensive (loss) income of subsidiaries, associates and joint ventures accounted for using the equity method	(125,939)	(1)	52,522	-
Income tax (expense) benefit relating to items that will not be reclassified subsequently to profit or loss (Note 24)	(29,360)	-	3,320	-
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating the financial statements of foreign operations	<u>304,609</u>	<u>3</u>	<u>(236,485)</u>	<u>(2)</u>
Other comprehensive income (loss) for the year, net of income tax	<u>223,449</u>	<u>2</u>	<u>(191,019)</u>	<u>(2)</u>
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE YEAR	<u>\$ 1,446,785</u>	<u>14</u>	<u>\$ 2,158,822</u>	<u>16</u>
EARNINGS PER SHARE (Note 25)				
From continuing operations				
Basic	<u>\$ 1.66</u>		<u>\$ 3.19</u>	
Diluted	<u>\$ 1.66</u>		<u>\$ 3.18</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, 2022 AND 2021 (In Thousands of New Taiwan Dollars)

			Retained Earnings			Other Equity		
	Ordinary Shares	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translating Foreign Operations	Unrealized Gain (Loss) on Investments in Equity Instruments at Fair Value through Other Comprehensive Income	Total Equity
BALANCE AT JANUARY 1, 2021	\$ 7,368,465	\$ 63,896	\$ 2,345,792	\$ 587,315	\$ 1,936,515	\$ (1,065,685)	\$ 292,993	\$ 11,529,291
Appropriation of 2020 earnings								
Legal reserve	-	-	172,251	-	(172,251)	-	-	-
Special reserve	-	-	-	185,377	(185,377)	-	-	-
Cash dividends	-	-	-	-	(1,252,639)	-	-	(1,252,639)
Net profit for the year ended December 31, 2021	-	-	-	-	2,349,841	-	-	2,349,841
Other comprehensive (loss) income for the year ended December 31, 2021, net of income tax	-	-	-	-	(14,349)	(236,485)	59,815	(191,019)
Total comprehensive income (loss) for the year ended December 31, 2021	-	-	-	-	2,335,492	(236,485)	59,815	2,158,822
Disposal of the equity instruments at fair value through other comprehensive income	-	-	-	-	112,205	-	(112,205)	-
BALANCE AT DECEMBER 31, 2021	7,368,465	63,896	2,518,043	772,692	2,773,945	(1,302,170)	240,603	12,435,474
Appropriation of 2021 earnings								
Legal reserve	-	-	244,770	-	(244,770)	-	-	-
Special reserve	-	-	-	288,875	(288,875)	-	-	-
Cash dividends	-	-	-	-	(2,063,170)	-	-	(2,063,170)
Different between acquisition price and carrying amount arising from acquisition of subsidiaries	-	(106)	-	-	-	-	-	(106)
Net profit for the year ended December 31, 2022	-	-	-	-	1,223,336	-	-	1,223,336
Other comprehensive income (loss) for the year ended December 31, 2022, net of income tax	-	-	-	-	117,881	304,609	(199,041)	223,449
Total comprehensive income (loss) for the year ended December 31, 2022	-	-	-	-	1,341,217	304,609	(199,041)	1,446,785
BALANCE AT DECEMBER 31, 2022	<u>\$ 7,368,465</u>	<u>\$ 63,790</u>	<u>\$ 2,762,813</u>	<u>\$ 1,061,567</u>	<u>\$ 1,518,347</u>	<u>\$ (997,561)</u>	<u>\$ 41,562</u>	<u>\$ 11,818,983</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, 2022 AND 2021 (In Thousands of New Taiwan Dollars)

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before income tax	\$ 1,505,398	\$ 2,890,647
Adjustments for:		
Depreciation expenses	558,897	532,027
Amortization expenses	26,005	23,481
Expected credit loss recognized (reversed) on trade receivables	200	(180)
Finances costs	155,498	126,965
Interest income	(17,914)	(2,422)
Dividend income	(3,572)	(2,839)
Share of (profit) loss of subsidiaries, associates and joint ventures	(73,187)	80,104
Loss on disposal of property, plant and equipment	2,387	2,014
Loss (gain) on disposal of investment properties	199	(7,253)
Impairment loss recognized on non-financial assets	10,460	9,310
Changes in operating assets and liabilities		
Financial assets mandatorily classified as at fair value through profit or loss	(2,500)	-
Notes receivable	31,943	(283)
Trade receivables	314,918	11,717
Trade receivables from related parties	81,161	(12,392)
Other receivables	(7,369)	(21,865)
Other receivables from related parties	(11,333)	(2,206)
Other current assets	3,578	(10,355)
Other payables	(751,358)	634,478
Other current liabilities	(101,157)	33,480
Other operating liabilities	(179,741)	360,123
Cash generated from operations	1,542,513	4,644,551
Interest received	17,941	2,739
Interest paid	(142,170)	(149,873)
Income tax paid	(602,513)	(428,779)
Net cash generated from operating activities	815,771	4,068,638
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets through other comprehensive income	(56,714)	(6,569)
Proceeds from sale of financial assets at fair value through other comprehensive income	-	786
Purchase of long-term investments accounted for using the equity method	(182,465)	(36,932)
Return of capital from equity method investee	-	321,770
Payments for property, plant and equipment	(121,288)	(101,937)
Proceeds from disposal of property, plant and equipment	17	372
Increase in refundable deposits	(17,333)	(9,282)
Other receivables from related parties	(1,385,809)	(316,000)
Payments for intangible assets	(12,985)	(33,850)
Net cash inflow on acquisition of subsidiary	8,148	-

(Continued)

SINYI REALTY INC.

STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars)

	2022	2021
Payments for investment properties	\$ (56,880)	\$ (32,200)
Proceeds from disposal of investment properties	745	64,691
Decrease (increase) in other non-current assets	190	(582)
Dividends received	<u>61,521</u>	<u>69,165</u>
Net cash used in investing activities	<u>(1,762,853)</u>	<u>(80,568)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayments of bonds payable	-	(700,000)
Proceeds from long-term borrowings	14,861,367	11,874,814
Repayments of long-term borrowings	(12,211,250)	(12,545,000)
(Procced from) refund of guarantee deposits received	(5,061)	6,450
Increase in other payables to related parties	819,000	-
Decrease in other payables to related parties	-	(848,780)
Repayment of the principal portion of lease liabilities	(445,854)	(427,885)
Dividends paid to owners of the Company	<u>(2,063,170)</u>	<u>(1,252,639)</u>
Net cash generated from (used in) financing activities	<u>955,032</u>	<u>(3,893,040)</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	<u>(64,624)</u>	<u>(33,245)</u>
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(56,674)	61,785
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>658,568</u>	<u>596,783</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 601,894</u>	<u>\$ 658,568</u>

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

(Concluded)

Attachment 10

Sinyi Realty Inc.

Regulations of Governing Transactions with Group Enterprises, Specific Parties and Related Parties

Comparison Table of Amendments

Amended Name	Original Name	Description of amendment
<u>Regulations of Governing Financial and Business Matters Between the Company and its Related Parties</u>	<u>Regulations of Governing Transactions with Group Enterprises, Specific Parties and Related Parties</u>	Revision in accordance with the amended Regulations of Governing Financial and Business Matters Between the Company and its Related Parties issued by TWSE.

Amended articles	Original articles	Description of amendment
Article 1 <u>To ensure sound financial and business interactions between this Corporation and its affiliated enterprises and to prevent non arm's-length transactions and improper channeling of interests with respect to the purchase and sale of goods, the acquisition and disposal of assets, the provision of endorsements and guarantees, and loans of funds between this Corporation and its affiliated enterprises, these Rules are adopted pursuant to Article 17 of the Company's Corporate Governance Principles.</u>	Article 1 <u>To assure the liguity and properness of transactions with group enterprises, specific companies and related parties, the Company hereby formulates these Rules in accordance with the Company Act, Statements of Financial Accounting Standards, and relevent regulations of securities competent authority.</u>	Revision in accordance with the amended Regulations of Governing Financial and Business Matters Between the Company and its Related Parties issued by TWSE.
Article 2 <u>Except as otherwise provided by law and regulation or by the Company's Articles of Incorporation, financial and business matters between the Company and any of its related parties shall be handled in accordance with the provisions of these Regulations.</u>	(Nil)	Revision in accordance with the amended Regulations of Governing Financial and Business Matters Between the Company and its Related Parties issued by TWSE.
(Delete)	Article 2 <u>A company under any of the</u>	Revision in accordance with the

Amended articles	Original articles	Description of amendment
	<p><u>following circumstances shall be deemed as a group enterprise of the Company:</u></p> <p><u>I. Having the relation of parent company, subsidiary and affiliated company.</u></p> <p><u>II. If the Company and its related party hold a majority of outstanding voting shares of another company, then such other company and the Company are of group enterprises.</u></p> <p><u>III. If an investor company, which values the Company by equity method, and related party of such investor company aggregately holds a majority of outstanding voting shares of the Company, then such investor company and the Company are of group enterprises.</u></p> <p><u>IV. A person who holds a majority of outstanding voting shares or capital amount of the Company and other company is the same shareholder.</u></p> <p><u>V. If a majority of total number of directors, supervisors, and general managers of the Company and other company are same, then such other company and the Company are of group enterprises. Its calculation includes spouse, children and relatives within the second degree of kinship of such persons.</u></p>	<p>amended Regulations of Governing Financial and Business Matters Between the Company and its Related Parties issued by TWSE.</p>
(Delete)	<p><u>Article 3</u></p> <p><u>A company under any of the following circumstances shall be deemed as a specific company of the Company:</u></p> <p><u>I. Holding more than twenty percent (inclusive) but less than fifty percent of total outstanding shares of the Company.</u></p> <p><u>II. Such company and its directors, supervisors and shareholders</u></p>	<p>Revision in accordance with the amended Regulations of Governing Financial and Business Matters Between the Company and its Related Parties issued by TWSE.</p>

Amended articles	Original articles	Description of amendment
	<p><u>holding more than ten percent of total shares aggregately hold more than thirty percent (inclusive) of total outstanding shares of the applicant company, and two parties have records of financial or business transactions. Shares held by the above said persons include those held by their spouses, minor children, and in the name of others.</u></p> <p><u>III. More than thirty percent (inclusive) of sale revenues of the Company are come from such company and its affiliated companies.</u></p>	
<p><u>Article 3</u> Related parties used in these Rules are determined in accordance with “Regulations Governing the Preparation of Financial Reports by Securities Issuers”. <u>The term "affiliated enterprise" as used herein means an enterprise that, in accordance with Article 369-1 of the Company Act, exists independently and has either of the following relationships with this Corporation:</u> I. <u>A relationship of control or subordination.</u> II. <u>A relationship of mutual investment. In determining whether a relationship of control or subordination under the preceding subparagraph exists, the substance of the relationship shall be considered in addition to the legal form.</u></p>	<p><u>Article 4</u> Related parties used in these Rules are determined in accordance with <u>the Company Act</u>, “Regulations Governing the Preparation of Financial Reports by Securities Issuers” <u>and generally accepted accounting principles.</u></p>	Revision in accordance with the amended Regulations of Governing Financial and Business Matters Between the Company and its Related Parties issued by TWSE.
<p><u>Article 4</u> <u>The Company shall establish an effective internal control system in regard to its own and its related parties (including affiliated enterprises) overall operational activities, and shall continue to review the system in order to adapt to changes in the internal and external environment and ensure that the</u></p>	(Nil)	Revision in accordance with the amended Regulations of Governing Financial and Business Matters Between the Company and its Related Parties issued by TWSE.

Amended articles	Original articles	Description of amendment
<p><u>system's design and operation remain effective.</u></p> <p><u>The Company shall ensure that any subsidiary develops an effective internal control system, taking into account the laws and regulations of the jurisdiction in which the subsidiary is located and the nature of its operations. For any related parties that is not a public company, the Company shall still, in consideration of the degree of influence it has on the Company's business and finances, require that it develop effective systems for internal control and for managing financial, business, and accounting matters.</u></p>		
<p>Article 5</p> <p><u>In addition to implementing the adopted internal control system, the Company shall pay close attention to the following matters when exercising supervision over the operation and management of its affiliated enterprises:</u></p> <p>I. <u>The Company shall obtain an appropriate number of director and supervisor seats in the affiliated enterprise in accordance with the percentage of the shares it holds.</u></p> <p>II. <u>A director that the Company assigns to an affiliated enterprise shall regularly attend the affiliate's board meetings, and in order to monitor its operation, shall carefully review its corporate objectives and strategy, financial position, business performance, cash flows, and important contracts, as reported by the various members of the affiliate enterprise's management. The director assigned to the affiliated enterprise shall ascertain the cause of any irregularity found, compile a record, and report the matter to the chairperson or general</u></p>	(Nil)	Revision in accordance with the amended Regulations of Governing Financial and Business Matters Between the Company and its Related Parties issued by TWSE.

Amended articles	Original articles	Description of amendment
<p><u>manager of the Company.</u></p> <p>III. <u>A supervisor assigned to an affiliated enterprise by the Company shall supervise the affiliate's business operations, investigate its financial and business conditions, and review its books, records and audit reports, and may also request reports from the affiliate's board of directors or managerial officers. For any irregularity that may be found, the supervisor assigned to the affiliate shall ascertain the cause, compile a record, and report to the chairperson or general manager of the Company.</u></p> <p>IV. <u>The Company shall assign competent personnel to assume important positions at its affiliated enterprise, such general manager, financial officer, or internal audit officer, in order to assume the duties and responsibilities of management, decision-making, and supervision and evaluation.</u></p> <p>V. <u>The Company, in consideration of the type of business, scale of operations, and number of personnel of a subsidiary, shall instruct the subsidiary in the procedures and methods for establishing an internal audit unit and adopting internal control system self-inspection operations.</u></p> <p>VI. <u>In addition to reviewing the audit reports or self-inspection reports submitted by each subsidiary, the internal audit personnel of the Company must also carry out audits of the subsidiaries on a scheduled or unscheduled basis. After audit findings and recommendations have been presented, they shall instruct the audited subsidiaries to make any necessary corrections, and shall</u></p>		

Amended articles	Original articles	Description of amendment
<p><u>prepare follow-up reports on a regular basis to ensure that the subsidiaries have taken appropriate corrective measures in a timely manner.</u></p> <p><u>VII. Subsidiaries of the Company shall regularly submit monthly financial statements for the preceding month, including balance sheets, income statements, statements of expenses, statements of cash flow and cash flow forecasts, accounts receivable aging schedules and statements of delinquent accounts receivable, aging inventory analyses, and statements of loans to others and endorsements/guarantees. In the event of irregularities, analysis reports shall also be submitted to allow management and control by the Company. Other affiliated enterprises shall also regularly submit financial statements for the preceding quarter, including balance sheets and income statements, for analysis and review by the Company.</u></p>		
(Delete)	<p><u>Article 5</u> <u>Transactions used in these Rules refer to transfers of resources or obligations between the Company and group enterprises, specific companies or related parties whether or not considerations are paid therefore. Scope of transactions includes following:</u> <u>I. Fund Lending</u> <u>II. Endorsement/guarantee</u> <u>III. Asset transaction</u> <u>IV. Service transaction</u> <u>V. Leasehold transaction</u> <u>VI. Other transaction (expenditure of donation etc.)</u></p>	Revision in accordance with the amended Regulations of Governing Financial and Business Matters Between the Company and its Related Parties issued by TWSE.
<p><u>Article 6</u> <u>A managerial officer of the Company may not concurrently serve as a managerial officer of any affiliated</u></p>	(Nil)	Revision in accordance with the amended Regulations of

Amended articles	Original articles	Description of amendment
<u>enterprise of the Company, and shall not operate the same type of business as the Company, either on the officer's own behalf or with another party, unless otherwise approved by a resolution of the board of directors. The division of powers and responsibilities between the Company and its affiliated enterprises with respect to personnel management shall be clearly identified, and personnel transfers between the two shall be avoided. However, where personnel support or transfer is indeed necessary, the scope of work, division of powers and responsibilities, and allocation of costs shall be specified in advance.</u>		Governing Financial and Business Matters Between the Company and its Related Parties issued by TWSE.
<u>Article 7</u> <u>The Company shall establish an effective system of communication with each affiliated enterprise with respect to financial and business matters, and to mitigate credit risks, shall regularly conduct comprehensive risk assessments of their banks, principal clients, and suppliers. With respect to an affiliated enterprise with which it has financial and business interactions, the Company shall especially maintain close control over material financial and business items for the purpose of risk management.</u>	(Nil)	Revision in accordance with the amended Regulations of Governing Financial and Business Matters Between the Company and its Related Parties issued by TWSE.
<u>Article 8</u> <u>Any loans or endorsements/guarantees between the Company and related parties shall be carefully assessed and carried out in compliance with the provisions of the Regulations Governing Lending of Funds and Making of Endorsements/Guarantees by Public Companies and with the procedures prescribed by the Company regarding loans to others and provision of endorsements/guarantees.</u> <u>With respect to the provision of loans, endorsements, or guarantees between</u>	(Nil)	Revision in accordance with the amended Regulations of Governing Financial and Business Matters Between the Company and its Related Parties issued by TWSE.

Amended articles	Original articles	Description of amendment
<p><u>the Company and related parties, the matters set out below shall be closely reviewed, and results of the assessment submitted to the board of directors. Any loan of funds shall be made only by a resolution of the board of directors, and no other party may be authorized to decide on the matter. The board of directors, in accordance with the preceding paragraph, may authorize the chairperson to provide an endorsement or guarantee within a specific limit, provided it is subsequently submitted to and ratified by the next board meeting:</u></p> <p><u>I. The necessity and the reasonableness of the loan or the endorsement or guarantee. When funds are loaned or an endorsement or guarantee is made because of business dealings, an assessment shall be made of whether the amount of the loan or amount of the endorsement or guarantee is commensurate with the total amount of the business involved. When short-term financing is needed, the reasons for and the circumstances surrounding the loan shall be set out.</u></p> <p><u>II. A credit check and a risk assessment of the counterparty requesting the loan or the endorsement or guarantee.</u></p> <p><u>III. The effects on the Company's operational risk and financial position and the rights and interests of its shareholders.</u></p> <p><u>IV. Whether collateral must be obtained, and an appraisal of its value.</u></p> <p><u>Any endorsement or guarantee provided pursuant to Article 5, paragraph 2 of the Regulations Governing Lending of Funds and Making of Endorsements/Guarantees by any subsidiaries of the Company shall first be submitted for a resolution</u></p>		

Amended articles	Original articles	Description of amendment
<p><u>by the board of directors of the Company.</u></p> <p><u>Any proposed loan between the Company and its parent or a subsidiary, or between its subsidiaries, shall be submitted for a resolution by the board of directors. The chairperson may also be authorized, with respect to a specific borrowing counterparty, and within a limit resolved by the board of directors and a period not to exceed 1 year, to provide an accreting loan or to make available a revolving line of credit.</u></p> <p><u>The board of directors shall give full consideration to each independent director's opinion with respect to loans, endorsements, or guarantees between the Company and any of its related parties. Specific opinions by independent directors expressing assent or dissent, and the reasons for dissent, shall be included in the minutes of board meetings.</u></p> <p><u>When a loan of funds for short-term financing is necessary between any two foreign companies in which the Company directly or indirectly holds 100 percent of the voting shares, the loan amount is not subject to the restriction of 40 percent of the net worth of the company making the loan. The amount of an endorsement or guarantee between two companies in which the Company directly or indirectly holds 90 percent or more of the voting shares may not exceed 10 percent of the Company's net worth, except for endorsements or guarantees between two companies in which the Company directly or indirectly holds 100 percent of the voting shares.</u></p> <p><u>The Company shall properly implement subsequent control measures with respect to loans or endorsements or guarantees. When there is a likelihood of overdue claims or the occurrence of loss, the</u></p>		

Amended articles	Original articles	Description of amendment
<p><u>Company shall adopt appropriate conservatory measures to safeguard its rights and interests.</u></p>		
<p><u>Article 9</u> Price terms and payment methods shall be expressly stipulated for any business interaction between the Company and any related party. The purpose, pricing, and terms of a transaction, and its formal and substantive nature and the related handling procedures, shall not differ markedly from those of a normal transaction with a non-related party, nor may they be obviously unreasonable.</p> <p><u>When the Company need to purchase from a related party, purchasing personnel shall thoroughly evaluate the reasonableness of the price quoted by the affiliated enterprise based on market prices and other transaction terms and conditions. Except in special circumstances, or given advantageous conditions that differ from those of ordinary suppliers, under which the granting of preferential pricing or terms of payment can be reasonably stipulated, any other prices and payment terms shall be commensurate with those offered to ordinary suppliers.</u></p> <p><u>Price quotes for the sale to a related party shall be made with reference to current market prices. Except in cases of long-term cooperation or other special factors that are different from ordinary clients, under which reasonable stipulations may be made to grant preferential pricing or terms of payment, any other prices and payment terms shall be commensurate with those offered to ordinary clients.</u></p> <p><u>For professional or technical services provided between the Company and an related party , both parties shall enter into a contract stipulating the scope of the services, fees charged,</u></p>	<p><u>Article 6</u> Price terms and payment methods shall be expressly stipulated for any business interaction between the Company and any related party. The purpose, pricing, and terms of a transaction, and its formal and substantive nature and the related handling procedures, shall not differ markedly from those of a normal transaction with a non-related party, nor may they be obviously unreasonable. <u>If their contents or conditions are inconsistent with general commercial practice in arm length transaction, the unit in charge shall report the same to the chairman for decision.</u></p> <p><u>Fund lending, endorsment & guarantee, and its asset or share investment transactions with respect to group enterprises, specific companies and related parties shall be processed in accordance with relvant “Operational Procedures for Lending Funds to Others”, “Procedures for Endorsement & Guarantee”, and “Procedures for Acquisition or Disposal of Assets” of the Company.</u></p>	<p>Revision in accordance with the amended Regulations of Governing Financial and Business Matters Between the Company and its Related Parties issued by TWSE.</p>

Amended articles	Original articles	Description of amendment
<p><u>time period, payment terms, and after-sales service. The contract shall be implemented after approval by the general manager or the chairperson of the Company, and all contract terms and conditions shall comply with normal business practice.</u></p> <p><u>By the end of each month, the accounting personnel of both the Company and its related parties shall perform cross checks of the purchases and sales of goods between them for the preceding month and the related balances of accounts payable and receivable. If any discrepancies are found, accounting personnel shall identify the cause and prepare a reconciliation statement.</u></p>		
<p><u>Article 9-1</u></p> <p><u>If the Company purchases and sells goods, conducts labor services or technical service transactions from related parties, and the transaction amount is expected to reach 5% of the Company's latest consolidated total assets or net consolidated operating income in the latest year, in addition to the applicable provisions of the standards for the treatment of assets acquired or disposed of by a publicly offered company, or a transaction between the Company and the parent company, subsidiaries or subsidiaries, the following information shall be submitted to the board of directors for approval before the transaction may be made:</u></p> <p>I. <u>The project, purpose, necessity and expected benefits of the transaction.</u></p> <p>II. <u>The reason for selecting the related party as the transaction counterparty.</u></p> <p>III. <u>The principle of calculating the transaction price and the upper limit of the estimated transaction amount for the whole year.</u></p> <p>IV. <u>An explanation of whether the</u></p>	(Nil)	Revision in accordance with the amended Regulations of Governing Financial and Business Matters Between the Company and its Related Parties issued by TWSE.

Amended articles	Original articles	Description of amendment
<p><u>trading conditions comply with normal commercial terms and do not harm the interests of the Company and shareholders.</u></p> <p>V. <u>Restrictions on transactions and other important matters.</u></p> <p><u>For transactions with related parties in the preceding paragraph, the following matters shall be submitted to report to the latest shareholders' meeting after the end of the year:</u></p> <p>I. <u>Actual transaction amount and terms.</u></p> <p>II. <u>Whether it is handled in accordance with the principle of calculation of the transaction price approved by the board of directors.</u></p> <p>III. <u>Whether the maximum transaction amount for the whole year approved by the board of directors has not been exceeded. If the maximum transaction amount has been exceeded, the reason, necessity and reasonableness should be stated.</u></p>		
(Delete)	<p>Article 7</p> <p><u>The Company's financial department shall establish a name list of group enterprises, specific companies, and related parties, and shall periodically evaluate whether the status of increase or decrease occurs. The management of accounts receivable and payable due to transactions with related parties shall be subject to requirements of relevant internal control operation, including cross-check of balance of accounts receivable and payable. If any difference is found, its reason should be understood and the reconciliation shall be made. "Matters affect stock price and shareholders' equity" of transactions with related parties shall be published and reported in accordance with requirements of competent authority. Significant transactions shall be properly</u></p>	Revision in accordance with the amended Regulations of Governing Financial and Business Matters Between the Company and its Related Parties issued by TWSE.

Amended articles	Original articles	Description of amendment
	<u>disclosed in accordance with requirements of financial accounting standards.</u>	
(Delete)	<p><u>Article 8</u> <u>In preparing financial reports, for matters to be disclosed under the preceding article, the Company shall separately state the transaction amount or balance of each related party, which is more than ten percent of total transaction amount or balance of such transaction of the Company in that period, and may sum up the remainder.</u></p>	Revision in accordance with the amended Regulations of Governing Financial and Business Matters Between the Company and its Related Parties issued by TWSE.
<p><u>Article 10</u> <u>Any asset transaction, derivative trading, merger, demerger, acquisition, or share transfer between the Company and an related party shall be conducted in accordance with the Regulations Governing the Acquisition and Disposal of Assets by Public Companies and the procedures for acquisition and disposal of assets prescribed by the Company.</u></p> <p><u>When the Company makes an acquisition of securities from or a disposition of securities to an related party, or an acquisition from an unaffiliated enterprise of securities whose underlying is the stock of an affiliated enterprise, it shall first obtain the financial statements of the issuing company for the most recent period, audited and attested or reviewed by a certified public accountant (CPA), for reference in appraising the transaction price. If the amount of the transaction is 20 percent or more of the Company's paid-in capital, 10 percent of its total assets, or NT\$300 million or more, it shall also request a CPA to provide an opinion on the reasonableness of the transaction price, except for securities having a public quotation for active markets or are otherwise stipulated by the Financial Supervisory</u></p>	(Nil)	Revision in accordance with the amended Regulations of Governing Financial and Business Matters Between the Company and its Related Parties issued by TWSE.

Amended articles	Original articles	Description of amendment
<p><u>Commission.</u></p> <p><u>When the Company engages in the acquisition of memberships or intangible assets from or their disposition to any of its affiliated enterprises, if the amount of the transaction is 20 percent or more of the Company's paid-in capital, 10 percent of its total assets, or NT\$300 million or more, it shall request a CPA to provide an opinion on the reasonableness of the transaction price.</u></p>		
<p>Article 11</p> <p><u>When the Company intends to conduct any acquisition or disposal of real property from or to any of its related parties, or to conduct an acquisition or disposal of assets other than real property from or to any of its related parties in which the transaction amount is furthermore 20 percent or more of the Company's paid-in capital, 10 percent of its total assets, or NT\$300 million or more, with the exception of the purchase or sale of government bonds, repo or reverse repo bond transactions, or subscription to or redemption of domestic money market funds, it shall have the following matters approved by the board of directors and recognized by the Audit Committee before it may enter into a contract for the transaction and pay the required monies:</u></p> <p>I. <u>An appraisal issued by a professional appraiser as required by regulations, or a CPA opinion.</u></p> <p>II. <u>The purpose, necessity, and projected benefits of the acquisition or disposal of real property.</u></p> <p>III. <u>The reason for choosing the related party as a trading counterparty.</u></p> <p>IV. <u>Information relating to appraisal of the reasonableness of the preliminary transaction terms</u></p>	(Nil)	Revision in accordance with the amended Regulations of Governing Financial and Business Matters Between the Company and its Related Parties issued by TWSE.

Amended articles	Original articles	Description of amendment
<p><u>when acquiring real property from a related party pursuant with Article 16 and 17 of Regulations Governing the Acquisition and Disposal of Assets by Public Companies issued by Financial Supervisory Commission.</u></p> <p>V. <u>The date and price at which the real property was originally acquired by the related party, the trading counterparty, and the trading counterparty's relationship with the Company and its related party.</u></p> <p>VI. <u>Monthly cash flow forecasts for a full year commencing from the scheduled month of contract signing, and an evaluation of the necessity of the transaction and the reasonableness of the utilization of funding.</u></p> <p>VII. <u>Any restrictions on the transaction and other important stipulations.</u></p> <p>VIII. <u>An opinion issued by a CPA engaged to review whether the transaction with the related party conforms to ordinary commercial terms and whether it is not damaging to the interests of the Company and its minority shareholders.</u></p> <p><u>When the amount of the transaction under the preceding paragraph is 20 percent or more of the Company's paid-in capital, 10 percent of its total assets, or NT\$300 million or more, the Company shall obtain an appraisal report issued by a professional appraiser. If the discrepancy between the appraisal result and the transaction amount is 20 percent or more of the transaction amount, the Company shall additionally request a CPA to provide a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price, and it shall be approved by a</u></p>		

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<p><u>majority of the directors in attendance at a board of directors meeting attended by two-thirds or more of the directors.</u></p> <p><u>In an acquisition of real property or right-of use assets from a related party, if the actual transaction price is higher than the appraised transaction cost, and no objective evidence can be presented and no concrete opinion that the transaction is reasonable can be obtained from a professional appraiser and a CPA, the board of directors shall thoroughly review the transaction and determine whether it may prejudice the rights and interests of the Company and its shareholders, and when necessary, shall refuse to enter into the transaction. The Audit Committee shall also exercise their supervisory powers in respect of such a transaction, and when necessary shall notify the board of directors to stop the transaction.</u></p> <p><u>When a transaction as described under the preceding paragraph has been approved by the board of directors and recognized by the Audit Committee, the Company shall set aside a special reserve against the difference between the transaction price and the appraised cost, and may not distribute the difference or use it for capital increase or for issuance of bonus shares. In addition, the Company shall report the handling of the above transaction to the shareholders meeting and shall disclose the details of the transaction in the annual report and any prospectus.</u></p> <p><u>In the following cases of a related party transaction, after the board of directors approves it, the information in paragraph 1 shall still be submitted to the shareholders' meeting for resolution, and shareholders with their own interests shall not participate in the</u></p>		

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<p><u>voting:</u></p> <p>I. <u>The Company or a subsidiary of the Company that is not a domestic public offering has the transaction mentioned in the first paragraph, and the transaction amount reaches more than 10% of the total assets of the Company.</u></p> <p>II. <u>According to the provisions of the Company Law, the articles of association of the Company or internal operating procedures, the transaction amount and conditions have a significant impact on the Company's operation or shareholders' rights.</u></p> <p><u>If the Company and related parties have the transaction mentioned in the first paragraph, the actual transaction (including the actual transaction amount, transaction terms and information in first Paragraph) shall be submitted to the latest shareholders' meeting report after the end of the year.</u></p> <p><u>The Company shall, in accordance with the provisions of this article, obtain the consent of more than one-half of all members of the Audit Committee and submit a resolution of the board of directors to apply the provisions of paragraph 4 and 5 of Article 6 of the Regulations Governing the Acquisition and Disposal of Assets by a Public Company.</u></p>		
<p><u>Article 12</u></p> <p>With respect to any financial or business interaction between the Company and any related party that requires a resolution of the board of directors, full consideration shall be given to each independent director's opinion. Specific opinions by independent directors expressing assent or dissent, and the reasons for dissent, shall be included in the</p>	<p><u>Article 9</u></p> <p>With respect to any financial or business interaction between the Company and any related party that requires a resolution of the board of directors, full consideration shall be given to each independent director's opinion. Specific opinions by independent directors expressing assent or dissent, and the reasons for dissent, shall be included in the</p>	<p>Revision in accordance with the amended Regulations of Governing Financial and Business Matters Between the Company and its Related Parties issued by TWSE.</p>

Amended articles	Original articles	Description of amendment
<p>minutes of board meetings.</p> <p><u>When a director is an interested party with respect to a particular agenda item, that director shall enter into recusal and may neither vote on that item nor exercise voting rights as proxy for another director. Directors shall maintain self-discipline among themselves and may not enter into relationships of inappropriate mutual support with other directors. A director's spouse, second relative or other internal blood relative, or a company with which the director has a controlling subordinate relationship, shall be deemed to have an interest in the matter of the preceding meeting.</u></p> <p><u>Upon discovering that, in the course of their duties, the board of directors or a director has committed a violation of law or regulation, the articles of incorporation, or a shareholders meeting resolution, an independent director shall immediately notify the board of directors or the individual director to cease the misconduct, and shall take appropriate measures to curb expansion of the misconduct. When necessary, an independent director shall also file a report with the relevant regulatory authority or agency.</u></p>	<p>minutes of board meetings.</p> <p><u>In performing its duties, if the audit committee of the Company finds any abnormality of transactions with related parties, it may request the board of director for explanation, and report its audit results to the shareholders' meeting for process.</u></p>	
<p>Article 13</p> <p><u>The Company, in compliance with the requirements of laws and regulations regarding matters that must be publicly disclosed or filed and the deadlines for so doing, shall make timely arrangements for the provision by each subsidiary of required financial and business information, or to retain CPAs to audit or review the financial reports of each subsidiary.</u></p> <p><u>The Company shall publicly disclose the consolidated balance sheets, consolidated statements of comprehensive income, and CPA review reports covering affiliated</u></p>	(Nil)	Revision in accordance with the amended Regulations of Governing Financial and Business Matters Between the Company and its Related Parties issued by TWSE.

Amended articles	Original articles	Description of amendment
<p><u>enterprises by the deadlines for the filing of the annual financial reports under applicable laws and regulations. Information on any increase, decrease, or other change in affiliated enterprises shall be filed with the TWSE within 2 days of the change.</u></p> <p><u>Information on any material transaction between the Company and a related party shall be fully disclosed in the annual report, financial statements, the three reporting forms for affiliated enterprises, and prospectuses.</u></p> <p><u>If a related party experiences financial difficulties, the Company shall obtain its financial statements and related materials in order to assess the resulting effect on the finances, business, or operations of the Company, and when necessary, appropriate conservatory measures shall be adopted to safeguard the Company's rights as a creditor. Under the above circumstances, in addition to specifying the resulting effect on the Company's financial position in its annual report and prospectus, the Company shall also make a timely announcement of material information on the Market Observation Post System (MOPS).</u></p>		
<p>Article 14 <u>When any of the following circumstances applies to a related party, the Company shall make a public disclosure and regulatory filing on its behalf:</u></p> <p>I. <u>For a subsidiary whose shares have not been publicly issued domestically, the dollar amount of the subsidiary's acquisition or disposal of assets, endorsements or guarantees for others, and loans of funds to others meets the criteria for public disclosure and regulatory filing.</u></p> <p>II. <u>The parent or the subsidiary undergoes bankruptcy or</u></p>	(Nil)	Revision in accordance with the amended Regulations of Governing Financial and Business Matters Between the Company and its Related Parties issued by TWSE.

Amended articles	Original articles	Description of amendment
<p><u>reorganization proceedings pursuant to applicable laws and regulations.</u></p> <p>III. <u>A major policy is adopted by resolution of the affiliated enterprise's board of directors that has a material effect on the rights and interests of the shareholders or the securities prices of the Company.</u></p> <p>IV. <u>Any matter regarding a subsidiary or the unlisted (neither TWSE nor GTSM listed) parent of the Company constitutes material information required to be announced under the provisions of the Taiwan Stock Exchange Corporation Procedures for Verification and Disclosure of Material Information of Companies with Listed Securities and of the GreTai Securities Market Procedures for Verification and Disclosure of Material Information of Companies with GTSM Listed Securities.</u></p>		
<p><u>Article 15</u> These Regulations shall be implemented after being adopted by the board of directors. The same procedure shall apply to amendment thereto.</p>	<p><u>Article 10</u> These Regulations shall be implemented after being adopted by the board of directors <u>and futher recognized by the sharheolders' meeting.</u> The same procedure shall apply to amendment thereto.</p>	<p>Revision in accordance with the amended Regulations of Governing Financial and Business Matters Between the Company and its Related Parties issued by TWSE.</p>