

# Sinyi Realty Inc.

## 2024 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 22, 2024

**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://stockservices.tdcc.com.tw>

**Shareholders present:** Total outstanding shares of the Company are 736,846,500 shares, and shares represented by shareholders' present are 600,420,613 shares (including 10,020 shares on video conference platform and 41,286,985 shares casted through e-voting), accounted for 81.48% of total shares issued.

**Chairperson:** Chou Ken-Yu

**Recorder:** Hsu Feng-Chi

**Attendance:** 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), Chen Chin-Hong (General Manager) of Sinyi Development Inc., Su I-Chieh (Vice General Manager) of Tourism and Hospitality Business Group, Wu Hsiao-Jen (Chief Accountant), Wang Pan-Fa (Deloitte & Touche, Accountant), Huang Pei-Sung (KPMG in Taiwan, Lawyer)

### I. Chairperson's address:

Ladies and gentlemen, welcome! And hello to those shareholders who participate in the meetings on site and by video conference, I am Chou Ken-Yu, the Chairperson. I am also the chairperson of today's shareholders' meeting. I hereby officially announce the commencement of the 2024 Annual General Meeting of Shareholders.

First of all, I would like to thank all shareholders for taking the time out of your busy schedules to attend the shareholders' meeting. I also deeply appreciate your concern and support for the Company. This is my first time chairing a shareholders' meeting, and I am delighted to have the opportunity to communicate with all of you.

If there are any questions or suggestions that cannot be addressed during the meeting due to time constraints, please feel free to join us for a brief tea reception afterward for further discussion. Thank you.

## II. Report items

### Item 1:

Proposed by the boards of directors

Subject: To report the business of 2023.

Descriptions:

1. Business report of the Company is in Attachment 1 on Page 8-11 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 2:

Proposed by the boards of directors

Subject: To report 2023 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 of 2023 is NT\$2,172,429,467, which is multiplied by 1% and 0.24903% are NT\$21,724,295 and NT\$5,410,000 for the employees and directors, respectively. The total amount is NT\$27,134,295 which will be paid by cash.
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 2023.

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 2023 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 12 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 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 on Page 13-15 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 5:**

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 of 2024 for sustainable development. Plans for promoting sustainable development are detailed in Attachment 4 on Page 16-17 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 6:**

Proposed by the boards of directors

Subject: To report the operation of the Company's board of directors and its functional committees of 2023.

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, a nomination committee and a business ethics and sustainable development committee. The report for the operation of the Company's board of directors and its functional committees for 2023 are detailed in Attachment 5 on Page 18-20 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 annual directors' remuneration of 2023.

Descriptions:

1. In accordance with the Company's Corporate Governance Principles, and to inform shareholders of the remuneration of the directors, the Company's 2023 directors' remuneration policy, individual remuneration content and amount are detailed in Attachment 6 on Page 21-22 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 related party transactions of 2023 derived from non-operating activities.

Descriptions:

1. In order to improve corporate governance and protect shareholders' rights and interests, the related party transactions of 2023 from non-operating activities are detailed in Attachment 7 on Page 23 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 excess fund loan improvement plan of the Company's subsidiary

Descriptions:

1. In accordance with the letter numbered 1120339657 issued by the Financial Supervisory Commission, the excess fund loan improvement plan of the Company's subsidiary is detailed in Attachment 8 on Page 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.

### III. Ratification Items

#### Item 1

Proposed by the board of directors

**Subject:** To ratify 2023 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 2023 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 2023 are submitted, as detailed in Attachment 1 on Page 8-11 and Attachment 9 on Page 25-44 of this meeting handbook.
4. 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: 596,705,378votes (including 38,238,140 votes casted through video conference platform and e-voting)	99.38%
Votes in against: 153,071 votes (including 153,071 votes casted through video conference platform and e-voting)	0.02%
Votes in invalid: 0 votes	0.00%
Votes abstained: 3,562,164 votes (including 2,905,794 votes casted through video conference platform and e-voting)	0.59%

#### Item 2

Proposed by the board of directors

**Subject:** To ratify 2023 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 2023 is NT\$ 605,576,988. After adding NT\$2,972,829 for the re-measurement of defined benefit obligation and deducting NT\$144,198 for the adjustments for long-term equity investments and NT\$76,516 for the difference between the actual acquisition cost of subsidiary equity and its book value, respectively, the adjusted beginning undistributed earnings is NT\$608,329,103. Additionally, adding 2023 earnings after tax of NT\$1,760,979,995, and deducting appropriated legal reserve of NT\$176,373,211 and reversal of special reserve of NT\$290,293,571, the 2023 distributable earnings is NT\$1,902,642,316. It is proposed to distribute cash dividends to shareholders in the amount of NT\$1,178,954,400. As calculated by

actual outstanding share number of 736,846,500 shares of the Company as of February 26, 2024, each share will be distributed for a cash dividend of NT\$1.6 (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. 2023 earning distribution table is proposed as follows:

Items	Amount (NT dollars)
Beginning undistributed earnings (a)	\$ 605,576,988
Add: Re-measurement of defined benefit obligation (b)	2,972,829
Less: Adjustment to undistributed earnings due to long-term investment in shares defined benefit obligation(c)	( 144,198 )
Less: Difference between consideration and carrying amount of subsidiaries acquired or disposed (d)	( <u>76,516</u> )
Adjusted beginning undistributed earnings (e=a+b-c-d)	608,329,103
Add: Net income of 2023(f)	1,760,979,995
Less: Appropriation of legal reserve(g) = (b-c-d+f) ×10%	( 176,373,211 )
Less: Appropriation of Special reserve(h)	( <u>290,293,571</u> )
Current distributable earnings(i) =(e+f-g-h)	1,902,642,316
Propose to distribute items:	
Less: Bonuses to shareholders(j)	( <u>1,178,954,400</u> )
Ending undistributed earnings (k)=(i-j)	\$ <u>723,687,916</u>
Notes: Amount of current earnings distribution will be paid from 2023 net income first.	

Chairperson: Chou Ken-Yu

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: 596,730,433 votes (including 38,263,195 votes casted through video conference platform and e-voting)	99.38%
Votes in against: 180,370 votes (including 180,370 votes casted through video conference platform and e-voting)	0.03%
Votes in invalid: 0 votes	0.00%
Votes abstained: 3,509,810 votes (including 2,853,440 votes casted through video conference platform and e-voting)	0.58%

## IV. Election Item

### Item 1

**Subject:** By-election of the Company's Independent Director.

Descriptions:

1. Sinyi Co. Ltd., the Company's institutional director, submitted resignation of director and the resignation will go effect on May 21, 2024. In accordance with Article 13 and Article 192-1 of the Company Act and the resolution of the 14th board of directors on the 22nd meeting, the Company proposes to by-elect a new director whose term of offices shall be from May 22, 2024 to May 18, 2025.
2. The election of directors shall adopt candidate nomination system. The details of the nominated candidates accompanied with their education and working experience, which have been examined by the 14th board of directors on the 23<sup>rd</sup> meeting, are detailed in Attachment 10 on Page 45 of this meeting handbook.
3. The Company's Rules of Election of Directors are detailed in Appendix 3 on page 64 of this meeting handbook

Resolution: The list of elected director for the 14th term of the Company is as follows:

Title	Name	Number of Votes
Director	Chen Li-Hsin	590,591,020

## V. Extempore motion

\* A shareholder said (1) The Kota Kinabalu Hotel in Sabah, Malaysia, is invested by the subsidiary, Zhancheng Tourism Development Sdn. Bhd. (hereinafter referred as "Zhancheng"), not by the Company. Can the Company recognize the subsidiary's profits and earnings in accordance with the law in the future? (2) What is the proportion of the Company's consolidated revenue and gross profit margin of the development business this year?

The Chairperson authorized Chief Financial Officer, Mr. Chen Chih-Huan to assist in replying, and Chief Financial Officer said, (1) at present, the Company's subsidiary Zhancheng to build a hotel in Sabah, Malaysia, and the quarterly financial statements are expressed in the form of consolidated financial statements in accordance with the law, so assets or profits will be calculated on a consolidated basis, and if the Company issues a standalone annual financial report, the amount of investment in Zhancheng will be included in the long-term equity investment, and its income will be listed in the income statement and included in the Company's earnings per share; and submit a proposal for earnings distribution to the shareholders' meeting in accordance with the regulations. (2) As for the development business (including subsidiaries in mainland China and Taiwan), the consolidated revenue in 2023 was approximately NT\$2.7 billion, accounting for approximately 20% of the consolidated revenue, the gross profit margin of the Project Jiahe was approximately 27%, and the gross profit margin of the mainland development business was approximately 18%. Looking ahead to 2024, it is estimated that the gross profit margin

generated by the delivery of the remaining houses will increase due to the higher unit price of the houses in the mainland development business. Taiwan's development business is expected to have no revenue in sales of housing due to no delivery of houses in 2024, and the Project Jia-Pin is expected to be handed over in 2025.

\* A shareholder said that (1) the real estate market in mainland China has been very sluggish in recent years, and many dangerous building incidents have broken out, please share the Company's views on the bond or debt crisis in mainland China, and the impact on the construction and sales of mainland subsidiaries; (2) Please explain the Company's sustainable actions including real estate selling agency and inviting suppliers to participate in energy conservation and carbon reduction; (3) According to the current situation of the real estate market in mainland China, whether the sales price of the Project "Shanshui Jiating" will be reduced.

The chairperson authorized Chief Financial Officer Mr. Chen Chih-Huan to assist in replying, and Chief Financial Officer said, (1) In recent years, some large real estate companies such as Evergrande in mainland China have had problems one after another, and the real estate market in mainland China as a whole is indeed not good. Some large real estate companies operate in a highly leveraged financial manner, which has a chain effect under the bad real estate environment. On the other hand, the Company invests in a steady and steady manner, acquires land for development with the sufficient cash injection in the Company's subsidiary, and then applies for a development loan from a local bank, and quickly repays the development loan through the cash inflow generated from the sale, which has been fully repaid at present, so as not to cause the problem of capital disconnection. At present, the sales of Project "Shanshui Jiating" are about 70 percent, and there are still 30 percent to work on We sell through unique value display, hoping to gain the recognition of local consumers, and the other parts will be added by Mr. Chen Qing-Hong, the general manager of the development business. General Manager Mr. Chen Qing-Hong added that the current price of Project "Shanshui Jiating" has not been reduced, and continues to explain the real estate and consumer purchase status in mainland China. The real estate market in mainland China is not ideal, and many builders do offer price reduction methods, trying to exchange price for quantity, and the result of price competition has led to the expectation of potential buyers for lower prices, and the phenomenon of wait-and-see has occurred. In the past, the mainland had limited investment tools, and real estate, as one of the investment tools, also drove the real estate prosperity of the mainland in the past decades. In recent years, the mainland government's housing market has always been based on the principle of not speculating on housing and formulating relevant regulations. Although the mainland housing market has been poor recently, the mainland's savings power in the past two years has been amazing, and it is obvious that there is still a strong ability to buy houses.

The Chairperson authorized the Company's General Manager, Ms. Chen Li-Hsin to assist in replying, and General Manager said that the First-hand New House Selling Division has been thinking about how to help builders pay attention to ESG issues, so we have conducted sustainability-related course training for our colleagues, and integrated green building and WELL certification into the proposals to builders to help builders create value. The First-hand New House Selling Division also focuses on "green sales", by reducing the construction of temporary physical reception centers, using store-style reception center sales, and using "Ground projection" and other technological methods to provide an immersive house viewing experience. In addition, the Company's branches continue to



implement energy-saving measures, and actively promote the 17 sustainable development goals proposed by the United Nations, bring sustainability goals into community services, and communicate and interact with community residents. So far, 17 stores have reached carbon neutrality, and we will continue to do so in each of our stores. The chairperson added that although net zero emissions in 2030 can be achieved quickly by buying green electricity and certificates, it is not of much significance, so as General Manager Ms. Chen Li-Hsin said, it is necessary to actively promote sustainable actions from branches and enhance the sustainability awareness of colleagues. General Manager added that the Company has long attached importance to environmental issues, and from 2010 to 2022, the Company's per capita electricity carbon emissions have been reduced by 60%.

\* A shareholder account number 5935, Mr. Guo, said that (1) he would like to cheer for Chairperson Mr. Chou Ken-Yu, and hoped that the Company would continue to operate steadily and steadily on the basis of a certain foundation. (2) The chairperson of the board of directors is a British citizen, and the shareholder hopes to help the Company grow into an international enterprise through this advantage. (3) It is recommended that the annual report should be divided into a circular chart of revenue and profit by region and business, so as to facilitate shareholders to understand the Company's operating conditions; (4) It is hoped that the founders will maintain good health and help the company to operate stably as the new generation transitions.

The Chairperson replied to the Company's Vision 2030, which is to "create a sustainable and better life with corporate ethics, and become a world-class service industry", which coincides with the above suggestions, and the Company has continued to recruit overseas cadres with foreign language skills to expand overseas markets.

\* A shareholder expressed their desire to increase the number of pages of the agenda items listed on the first page of the Handbook for the convenience of shareholders. The Chairperson replied that we would develop an improved approach to page labeling in the future.

## **VI. Adjournment: 10:34 a.m. on May 22, 2024**

※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 2023

Sinyi Realty Inc. has been continuously strengthening its operational capabilities and optimizing digital technology. In 2023, the revenue of its Taiwan real estate brokerage business increased by 4%, while the revenue of the first-hand new house business of Sinyi increased by 11% due to its unique advantages in the real estate market. We also experienced continuous growth due to the trend of Taiwanese people investing in properties in Japan. In terms of real estate development, Sinyi Development completed the delivery of the "Jiahe" project, contributing NT\$191.1 million to the revenue in 2023. The total revenue of all projects reached NT\$293.8 million.

Meanwhile, Sinyi Group continues to promote sustainable development based on corporate ethics. In addition to actively strengthening corporate governance and striving to balance the interests of various stakeholders, we have also incorporated the principle of "moving towards sustainable net-zero" in response to the crisis of global warming. This principle has been translated into concrete actions to promote green transformation, the mature resilience services, and raise awareness of environmental protection and ecological restoration. As a result of these efforts, Sinyi Group received numerous awards and recognition, including the Taiwan Top 10 Sustainable Exemplary Enterprise Award. These accolades reflect our commitment to ESG practices and contributions to sustainable development.

#### I · Industrial environment and business performance

Last Year, Taiwan's economic growth rate was lower than expected due to factors such as international inflation, pressure for interest rate hikes, and geopolitical risks. The real estate market was significantly affected in the first half of 2023. However, in the second half of the year, policy uncertainties decreased after the amendment of "The Equalization of Land Rights Act" and the introduction of the "Preferential Housing Loans for the Youth" policy by the government. As a result of the policy-driven increase in rigid demand, the housing market experienced a phenomenon of cooling in the first half of the year followed by warming in the second half. The total number of property transactions in Taiwan reached 307,000 units, a 3.5% decrease compared to the previous year.

Sinyi Realty Inc. introduced digital tools such as AI intelligent matching systems, combining them with the expertise and services provided by our offline branch employees. This helps consumers complete property transactions more efficiently. Additionally, through community services provided by our branches, we actively identify and meet the residential needs of community residents, deepening trust relationships.

In mainland China, despite the overall economic downturn, the government relaxed some of the real estate market control policies, improving the purchasing sentiment for some potential buyers. In 2023, the transaction volume of second-hand properties in Shanghai increased by about 10% compared to the same period last year. The revenue of the Shanghai and Suzhou brokerage business of Sinyi Group also increased by approximately 7% YoY.

In the post-pandemic era, the number of people traveling to Japan has increased, coupled with the depreciation of the Japanese yen, which has attracted Taiwanese buyers to

continue investing in Japan. In 2023, Sinyi Japan saw a 23% increase in transaction volume and a 40% increase in revenue. Sinyi Japan will leverage the advantages of cross-border channels and adjust its business model to focus on increasing the proportion of local customer transactions, deepening its presence in the local market, and expanding brand awareness.

Due to the economic slowdown in mainland China and the debt crisis faced by some large real estate developers, consumer confidence has been low, leading to a contraction in the volume of primary housing transactions. The sales of the "Shanshuijiating" project by Sinyi's mainland China development business in Wuxi slowed down, with a revenue recognition of NT\$735 million in 2023 and a cumulative delivery of 418 units, with a cumulative sales rate of 69%. Sinyi's Taiwan development project, "Jiahe," completed its delivery in the first quarter of 2023, with a revenue recognition of approximately NT\$191.1 million for the year. The "Jiaping" project, which has been fully sold, is expected to be delivered in early 2025, while the "Jiaxue" project started sales in mid-2023 and achieved a cumulative sales rate of 75% within less than 4 months. With the support of the Sinyi brand, it continues to sell well.

Sinyi Realty Inc. achieved a 92% budget attainment rate for its consolidated service income. However, due to the sales progress of the "Shanshuijiating" project, the budget attainment rate for consolidated revenue was 76%, and the budget attainment rate for consolidated net profit was 72%.

**The operating performances in Year 2023 and Year 2022 are summarized below:**

**【Analyses on the financial revenues and expenditures and profitability】**

Expressed in Million New Taiwan Dollars

Items	Year	Year 2023	Year 2022
Financial income/expenditure	Operation revenue	14,205	13,724
	Operating income	2,052	1,577
	Non-operating income (expense)	318	85
	Consolidated income before tax	2,370	1,662
	Income tax	598	426
	Net income (attributable to owner of the Company)	1,761	1,223
Profitability	Return on total assets (%)	6%	4%
	Return on equity (%)	14%	10%
	Net income margin (%)	12%	9%
	Earnings per share (\$)	2.39	1.66

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 —**

In the face of intense competition in Taiwan's real estate brokerage industry, Sinyi Realty Inc. persists in operating through a regular chain model. We are committed to the development of real estate technology (PropTech) and have successively launched digital services such as DINDON smart property viewing and AI intelligent matching to enhance transaction efficiency. The Company also continues to optimize the "Transaction Customer Membership System" by integrating it with our offline regular chain physical business services, leveraging the overall effectiveness of its real estate channels, and providing more considerate, time-saving, and high-quality convenience services. Looking ahead to 2024, Sinyi Realty Inc. will continue to drive the digital transformation of real estate brokerage services, utilizing generative AI technology to accelerate the enhancement of the overall service capabilities of its staff. We will combine high-quality talent with the surrounding residential and lifestyle industries to provide community residents and clients with a superior living experience.

### **Real estate development business-**

For the mainland China development business, Sinyi Group will provide an immersive property viewing experience for sincere buyers of the "ShanshuiJiating" project in Wuxi, allowing consumers to fully experience the lifestyle after moving in. The Company will also organize referral activities for existing customers to achieve full sales of the project. Sinyi Development has designated 2023 as the "Year of Inclusive Pre-Construction" and aims to create benchmark ESG projects in Taiwan through sustainable construction methods and community development practices. The "Jiaping" and "Jiaxue" projects will incorporate energy-efficient hardware facilities and intelligent energy management in their public facilities and households. Sinyi Development also continues to plan for urban renewal and joint development projects, accumulating future project capacity.

### **Leisure and tourism industry —**

In the leisure and tourism industry, the hotel development project in Sabah, Malaysia has officially started construction and is expected to be completed and open in 2027. The management and operation of the hotel will be consigned to the "IHG InterContinental Hotels Group." During the development process, efforts will be made to minimize environmental impact, practice ecological conservation, promote community development, and raise awareness of sustainable tourism among travelers. The Mengalum Island will be restored to its former glory through ecological restoration of flora and fauna. Low-density development will be adopted in the future to shape high-end accommodation products, creating a "Zero Carbon Island" for tourism.

## **Outlook—**

Sinyi Group takes a broad global perspective with a focus on the environment, society, and governance framework. We aim to balance the interests of stakeholders and establish a sustainable niche. Through the innovation of Sinyi's three core value chains - "Trust," "Righteousness," and "Ethics," we strive to bring a sustainable good life to everyone around us. As global citizens, we actively engage with the world, tackle the issues of global warming and unexpected crises, set goals for achieving net-zero emissions, and comprehensively implement ESG practices. Sinyi Group aims to bring substantial returns to shareholders and deliver influential value to stakeholders.

**Sinyi Realty Inc.**

**Audit Committee's Review Report**

We have agreed and submitted the Company's 2023 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 2023 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 2023 financial statements, 2023 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  
2024 Annual General Shareholders' Meeting

Sinyi Realty Inc.  
Convener of Audit Committee:

Yen, Lou-Yu  
February 26, 2024

Attachment 3

Sinyi Realty Inc.

Audit Committee's communications with the chief internal auditor of 2023

Date	Mode	Issues to communicate	Comment from the independent directors
01/18/2023	Audit Committee	Report on performance in internal audit	Noted.
02/22/2023	Forum	Internal control self-assessment and internal assessment execution report of internal audit	Chairperson expressed affirmation for the internal control self-assessment operations and the internal assessment execution of the audit department, stating: (1) Through the engagement of external consultants and continuous system optimization and digitization, efforts will be made to enhance and improve the effectiveness and efficiency of internal control operations. (2)The audit plan will be based on risks and will involve increasing understanding of operations and collecting opinions from senior executives on corporate risks. (3)The quality assessment operations of the Audit Office have completed the initial internal assessment step, and efforts will continue to refine assessment criteria in the future.
		Audit Committee	Report on performance in internal audit
	Audit Committee	Discussion on representation of internal control system for 2022	The proposal was passed after Chairperson consulted all the members present without any other opinion, and then was proposed to the Board of Directors for resolution.
03/29/2023	Audit Committee	Report on performance in internal audit	Noted.
04/26/2023	Audit Committee	Report on performance in internal audit	Noted.
		Group major risk management report of 2023Q1	1. Chairperson asked about the procedures for exit interviews conducted by the Human Resources department and the specific understanding of the reasons for departure. The Chief Auditor, Ms. Chou Su-Hsiang replied. 2. The proposal was passed after Chairperson consulted all the members present without any other opinion, and then was proposed to the Board of Directors for resolution.
05/30/2023	Audit Committee	Report on performance in internal audit	Noted.
07/25/2023	Audit Committee	Report on performance in internal audit	Noted.
		Group major risk management report of 2023Q2	Noted.
		Risk Management Policy Amendment	After consulting all attending committee members and receiving no further comments, Chairperson instructed that this matter be duly noted and reported to the Board of Directors.
08/30/2023	Audit Committee	Report on performance in internal audit	1. Committee Member Mr. Jhan Hong-Chih suggested that the Audit Office promptly

Date	Mode	Issues to communicate	Comment from the independent directors
			<p>encourage the relevant departments to finalize the "Assessment Criteria for Consignment Sales Reception Centers " and submit them for the next board meeting. The Chief Auditor, Ms. Chou Su-Hsiang replied.</p> <p>2. Chairperson proposed that the aforementioned assessment criteria should be established as soon as possible and implemented accordingly.</p> <p>3. After consulting all attending committee members and receiving no further comments, the Chairperson instructed that this matter be duly noted and reported to the Board of Directors.</p>
10/27/2023	Forum	The internal audit unit's execution of work for 2023 and the draft plan of internal audit for 2024	<p>1. Committee Member Mr. Jhan Hong-Chih suggested that the Company evaluate and optimize the management framework for the overall reinvestment of the group, which would be more conducive to future operations and risk reduction.</p> <p>2. Committee Member Mr. Wu Chih-Wei suggested that when planning audit plans, besides considering the limited internal audit resources, it's also important to take into account that the audited units have their own responsibilities to fulfill. Therefore, there should be a balance in the time required for their cooperation in audit activities.</p> <p>3. Chairperson made the following points:  (1) Adjustments to the management framework for the reinvestment of various business groups within the group can be further discussed in suitable meetings.  (2) Continuous planning of audit plans with a risk-oriented approach is recommended, emphasizing the integration of audit plans with the results of risk assessments.  (3) Considering the risk perspective of "partnering with operating units" and the top executives of each business group, assisting operating units through an independent and objective perspective to maximize the value of audits.</p> <p>4. The Chief Auditor's reply (1) Audit plans are aligned with the principle of "less quantity, more quality," where some items can be consolidated into the same audit project. (2) We are committed to continuously correcting issues at their source, such as assisting units in improving their internal control systems and conducting self-audits autonomously. Additionally, through the use of technology and accumulated audit experience, we aim to align audit operations with business priorities, base them on risk, and reduce confirmatory audits.</p>



Date	Mode	Issues to communicate	Comment from the independent directors
	Audit Committee	Report on performance in internal audit	<ol style="list-style-type: none"> <li>1. Committee Member Mr. Jhan Hong-Chih suggested conducting a comprehensive survey regarding the disproportionately high non-compliance rate in contract review management operations. The Chief Auditor, Ms. Chou Su-Hsiang, responded that they will devise a survey operation and conduct a review by the Audit Office.</li> <li>2. Chairperson directed that the forthcoming audit results of this case be presented to the Audit Committee. After consulting all attending committee members and receiving no further comments, Chairperson instructed that this matter be duly noted and reported to the Board of Directors.</li> </ol>
		The Company's Group Major Risks in 2024 & Q3 2023 Implementation Status.	<ol style="list-style-type: none"> <li>1. Chairperson instructed that several significant risk control indicators in the risk management report for the real estate development business did not meet the standards. The dedicated unit should propose a more effective action improvement plan. The Chief Auditor, Ms. Chou Su-Hsiang replied.</li> <li>2. The proposal was passed after Chairperson consulted all the members present without any other opinion, and then was proposed to the Board of Directors for resolution.</li> </ol>
12/27/2023	Audit Committee	Report on performance in internal audit	<ol style="list-style-type: none"> <li>1. Both Chairperson and Committee Member Mr. Wu Chih-Wei stated that reimbursement expenses for each department should adhere to the Company's relevant invoicing procedures, and no unit should devise its own dedicated operating procedures. The Chief Auditor, Ms. Chou Su-Hsiang replied.</li> <li>2. After consulting all attending committee members and receiving no further comments, Chairperson instructed that this matter be duly noted and reported to the Board of Directors.</li> </ol>
		The Company's internal audit plan for 2024	The proposal was passed after Chairperson consulted all the members present without any other opinion, and then was proposed to the Board of Directors for resolution.

**Sinyi Realty Inc.**

**Concrete promotion plans for Sustainable Development Principles programs**

Topic	Target of 2024 Program
Environment	<p><b>1. Achieving Net Zero Emissions Goals</b></p> <ul style="list-style-type: none"> <li>• Greenhouse gas (Category 1+2) reduction by 4.2%</li> <li>• Increase the proportion of renewable energy by 16%</li> <li>• Implemented the ISO 14064-1 organizational greenhouse gas inventory and expanded the scope of the inventory to include certain subsidiary companies in the consolidated financial statements. In 2024, Fidelity Property Consultant Sdn Bhd and Sinkang Administration Sdn Bhd of Malaysia were added.</li> <li>• Continue to promote key suppliers' greenhouse gas inventory and reduction</li> <li>• Promote 17 sustainable stores and demonstration sites to achieve PAS 2060 carbon neutrality</li> </ul> <p><b>2. Obtain certifications and marks</b></p> <ul style="list-style-type: none"> <li>• Obtain 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</li> <li>• Obtain the Environmental Protection Agency's Green Office Label certification</li> </ul> <p><b>3. Improve environmental influence</b></p> <ul style="list-style-type: none"> <li>• Continuous implementation of green procurement policies and support renewable energy.</li> <li>• Respond to domestic and foreign initiatives and activities: <ul style="list-style-type: none"> <li>-Carbon Disclosure Program (CDP)</li> <li>-Science Based Target initiative (SBTi)</li> <li>-BCSD Nature and Biodiversity Initiative Platform</li> </ul> </li> <li>• Continue to promote environmental education and environmental rehabilitation <ul style="list-style-type: none"> <li>-Support for "endangered plant conservation activities"</li> <li>-Research on natural carbon sinks and carbon rights acquisition</li> </ul> </li> </ul>
Social	<p><b>1. Efforts to attract outstanding talents</b></p> <ul style="list-style-type: none"> <li>• Execute Management Associate Plan of Sinyi</li> <li>• Shape the work brands that new generations yearn for</li> <li>• Cultivation of key functions of colleagues and supervisors</li> <li>• Execute the personal development plan for key talents</li> <li>• Develop a digital learning environment</li> <li>• Refined compensation, leave and performance system</li> </ul> <p><b>2. Healthy and happy workplaces</b></p> <ul style="list-style-type: none"> <li>• Obtain the certification of ISO45001 Occupational Safety and Health</li> <li>• Create a high-quality work field</li> <li>• Optimize employee opinion communication mechanism</li> <li>• Flexible hours for work-life balance</li> <li>• Flexible benefits that meet employee needs</li> </ul> <p><b>3. Digital innovation can create service capabilities that exceed expectations</b></p> <ul style="list-style-type: none"> <li>• Make good use of digital tools to improve service efficiency</li> <li>• DiNDON Smart House Appreciation Service</li> <li>• Diffusion of residential life services</li> </ul> <p><b>4. Combine resources to strengthen influential powers</b></p> <ul style="list-style-type: none"> <li>• Conduct community services and carry out cross-industry cooperation for the United Nations Sustainable Development Goals</li> <li>• Continuously promote community development program, expand exchanges</li> </ul>

Topic	Target of 2024 Program
	<p>among different ethnic groups</p> <ul style="list-style-type: none"> <li>• Keep assisting local characteristics, industries, talent mining and resource matching, so as to achieve the goal for balanced development of urban and rural areas through Taiwan Regional Revitalization Foundation</li> <li>• Promote multi-flexible community volunteer services</li> <li>• The Sinyi Lecture Hall conducts physical lectures , conveying the spirit of co-creation, co-learning, and co-benefits</li> <li>• 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</li> </ul> <p><b>5.Sound supply chain management</b></p> <ul style="list-style-type: none"> <li>• Obtain ISO 20400 sustainable procurement certification</li> <li>• Share learning resources and initiatives, and jointly commit to Sinyi Group's 2030 Net Zero Declaration with key suppliers</li> <li>• Strengthen the connotation of "Environmental, Social and Corporate Governance (ESG)" in the supplier selection procedures or forms, and watch suppliers' legitimate business behavior and sustainable development commitment, and deepen the connotation of visits, track their social impact, jointly improve ESG sustainable performance</li> </ul>
Governance	<p><b>1. Effectively perform the functions of directors</b></p> <ul style="list-style-type: none"> <li>• Implement director performance self-assessment</li> <li>• Optimize the operation of the functional committees of the board of directors</li> </ul> <p><b>2. Improve information transparency and disclosure</b></p> <ul style="list-style-type: none"> <li>• Issue announcements on the date of convening board of directors to approve the quarterly and annual financial statements</li> <li>• Continuously issue the quarterly and annual financial statements before the deadline which the authorities require</li> </ul> <p><b>3. Improving Due Diligence Governance</b></p> <ul style="list-style-type: none"> <li>• Obtained the top 5% of the listed companies annual corporate governance evaluation in 2024</li> <li>• Implementation of annual audit plan and audit of subsidiaries</li> <li>• Continue to optimize the information security framework</li> </ul> <p><b>4. Sustainable governance culture</b></p> <ul style="list-style-type: none"> <li>• Continue to issue TCFD reports and pass verification</li> <li>• Obtained various ISO certifications</li> <li>• Continue to refine and monitor the Group's major risk management, dedicated to managing of Key Risk Indicators (KRI).</li> </ul>

## Attachment 5

### Sinyi Realty Inc. Report on Operation of the Company's Board of Directors and its Functional Committees of 2023

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

In Year 2023, the board of directors of the Company convened a total of Nine (9) meetings; at least two independent directors or more would participate in every meeting, presenting a 92% 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	Chou Ken-Yu	9	-	100%	The Board of Directors elected Mr. Chou Ken-Yu as the new Chairperson on Oct. 27, 2023.
Director	Sinyi Co., Ltd. Appointed representative: Chen Li-Hsin	2	-	100%	Sinyi Co.,Ltd. appointed Ms. Chen Li-Hsin to exercise the duties of a director on Oct. 27, 2023. She is expected to attend two times.
Director	Chou Chun-Chi	9	-	100%	Nil
Independent Director	Yen Lou-Yu	9	-	100%	Nil
Independent Director	Jhan Hong-Chih	7	2	78%	Entrusted the other Independent Director to attend the meeting held on Feb. 22 and May 30, 2023.
Independent Director	Lee Yi-Li	8	1	89%	Entrusted the other Independent Director to attend the meeting held on Jan. 18, 2023.
Independent Director	Wu Chih-Wei	9	-	100%	Nil
Former Chairperson	Sinyi Co., Ltd. Appointed representative: Liu Yuan-Chih	5	2	71%	July 25 and Aug. 30, 2023 entrusted Vice Chairperson Chou Ken-Yu to attend the meeting. Sinyi Co.,Ltd. appointed Ms. Chen Li-Hsin to exercise the duties of a director on Oct. 27, 2023. He is expected to attend seven times.
Total		58	5	92%	

#### 2. The operation of the Company's Audit Committee

In 2023, the Audit Committee convened a total of nine (9) meetings, in the average participation rate of 92%. 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	9	-	100%	Nil
Committee	Jhan Hong-Chih	7	2	78%	Feb. 22 and May 30, 2023

Title	Name	Times of Attendance in Person	Times of Attendance by Proxy	Actual Attendance Rate (%)	Remarks
member					entrusted another committee member to attend the meeting.
Committee member	Lee Yi-Li	8	1	89%	Jan. 18, 2023 entrusted another committee member to attend the meeting.
Committee member	Wu Chih-Wei	9	-	100%	Nil
Total		33	3	92%	

### 3. The operation of the Company's Remuneration Committee

In 2023, the Remuneration Committee convened a total of eight (8) meetings with 91% 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	7	1	88%	Jan. 18, 2023 entrusted another committee member to attend the meeting.
Committee member	Jhan Hong-Chih	6	2	75%	Feb. 22 and May 30, 2023 entrusted another committee member to attend the meeting.
Committee member	Yen Lou-Yu	8	-	100%	Nil
Committee member	Wu Chih-Wei	8	-	100%	Nil
Total		29	3	91%	

### 4. The operation of the Company's Nomination Committee

In 2023, the Nomination Committee convened four (4) meetings with 90% 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	1	75%	Feb. 22, 2023 entrusted another committee member to attend the meeting.
Committee member	Yen Lou-Yu	4	-	100%	Nil
Committee member	Chou Chun-Chi	4	-	100%	Nil
Committee member	Lee Yi-Li	3	1	75%	January 18, 2023 entrusted another committee member to attend the meeting.
Committee member	Wu Chih-Wei	4	-	100%	Nil
Total		18	2	90%	

5. The operation of the Company's Business Ethics and Sustainable Development Committee

In 2023, the Business Ethics and Sustainable Development Committee convened one (1) meeting with 100% of average attendance rate. The attendance facts of the Business Ethics and Sustainable Development Committee were enumerated below:

Title	Name	Times of Attendance in Person	Times of Attendance by Proxy	Actual Attendance Ratio (%)	Remarks
Committee member (Convener)	Chou Ken-Yu	1	-	100%	Nil
Committee member	Yen Lou-Yu	1	-	100%	Nil
Committee member	Wu Chih-Wei	1	-	100%	Nil
Committee member	Yang Pai-Chuan	1	-	100%	Nil
Committee member	Chou Chuang-Yun	1	-	100%	Nil
Total		5	-	100%	

Attachment 6

Sinyi Realty Inc.

2023 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)								
		The Company	All Companies Specified in the Financial Statements	The Company	All Companies Specified in the Financial Statements	The Company	All Companies Specified in the Financial Statements	The Company	All Companies Specified in the Financial Statements	The Company	All Companies Specified in the Financial Statements	The Company	All Companies Specified in the Financial Statements	The Company	All Companies Specified in the Financial Statements	Cash Bonus	Share Bonus	Cash Bonus	Share Bonus		The Company	All Companies Specified in the Financial Statements	The Company	All Companies Specified in the Financial Statements	The Company	All Companies Specified in the Financial Statements					
Chairperson	Chou Ken-Yu (Note8)	-	-	-	-	934	934	-	-	934	934	0.05%	0.05%	5,178	5,178	99	99	7	-	7	-	-	-	-	-	-	6,218	6,218	0.35%	0.35%	Nil
Director	Sinyi Co., Ltd.	-	-	-	-	1,676	1,676	-	-	1,676	1,676	0.10%	0.10%	-	-	-	-	-	-	-	-	-	-	-	-	-	1,676	1,676	0.10%	0.10%	Nil
	Representative of Sinyi Co., Ltd.: Chen Li-Hsin(Note8)	-	-	-	-	-	-	-	-	-	-	-	-	8,822	8,822	18	18	7	-	7	-	-	-	-	-	-	8,847	8,847	0.50%	0.50%	36
Director	Chou Chun-Chi	-	-	-	-	-	-	849	849	849	849	0.05%	0.05%	-	-	-	-	-	-	-	-	-	-	-	-	-	849	849	0.05%	0.05%	Nil
Independent Director	Yen Lou-Yu	1,200	1,200	-	-	700	700	50	50	1,950	1,950	0.11%	0.11%	-	-	-	-	-	-	-	-	-	-	-	-	-	1,950	1,950	0.11%	0.11%	Nil
Independent Director	Jhan Hong-Chih	1,200	1,200	-	-	700	700	35	35	1,935	1,935	0.11%	0.11%	-	-	-	-	-	-	-	-	-	-	-	-	-	1,935	1,935	0.11%	0.11%	Nil
Independent Director	Lee Yi-Li	1,200	1,200	-	-	700	700	45	45	1,945	1,945	0.11%	0.11%	-	-	-	-	-	-	-	-	-	-	-	-	-	1,945	1,945	0.11%	0.11%	Nil
Independent Director	Wu Chih-Wei	1,200	1,200	-	-	700	700	50	50	1,950	1,950	0.11%	0.11%	-	-	-	-	-	-	-	-	-	-	-	-	-	1,950	1,950	0.11%	0.11%	Nil

Former Chairperson	Representative of Sinyi Co., Ltd.: Liu Yuan-Chih(Note8)	-	-	-	-	-	-	-	-	-	-	3,093	3,093	122	122	-	-	-	-	-	-	-	-	3,215 0.18%	3,215 0.18%	1,640
Total		4,800	4,800	-	-	5,410	5,410	1,029	1,029	11,239 0.64%	11,239 0.64%	17,093	17,093	239	239	14	-	14	-	-	-	-	-	28,585 1.62%	28,585 1.62%	1,676

Note 1: As officially resolved by the Board of Directors Meeting on February 26, 2024, the remuneration to directors for 2023 was NT\$5,410 million dollars. The resolution will be reported in the general shareholders' meeting on May 22, 2024.

Note 2: The aforementioned expenses include car 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 car 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 26, 2024. The resolution shall be reported in the general shareholders' meeting on May 22, 2024.

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 2023.

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

Note 7: Other than the disclosures above, remuneration granted to the 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 October 27, 2023, the legal director of Sinyi Co., Ltd. resigned as Chairperson. Ms. Chen Li-Hsin has been appointed to act as a representative to exercise the duties of a director. The Board of Directors also unanimously elected and approved Mr. Chou Ken-Yu, Vice Chairperson, to assume the position of Chairperson of the Company.

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:

The remuneration for independent directors of the Company is primarily divided into director's remuneration, director's fees, and expenses for business execution. The director's remuneration for independent directors is set at NT\$100,000 per month, determined based on their level of involvement and contribution to the Company's operations, as well as the customary standards among other listed companies. The amount is authorized by the board of directors, and during deliberations, each independent director abstains from voting on their individual compensation. Since this remuneration is aligned with typical standards among other listed companies and is not directly tied to the Company's profitability level, it is considered reasonable. Director's fees are distributed annually according to the Company's regulations, based on a certain proportion of the annual profits. The remuneration for independent directors also takes into account the overall salary levels of independent directors in other listed companies (including director's remuneration and director's fees), as well as their participation in the board of directors and its functional committees. Business execution expenses include a transportation allowance of NT\$5,000 per meeting for attendance at board meetings and other related meetings, reimbursed based on actual attendance.



## Attachment 7

### Sinyi Realty Inc.

#### **The Related Party Transactions of 2023 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 January 18, 2023, the Company's board of directors has resolved to donate NT\$6,750 thousand to Taiwan Regional Revitalization Foundation to support its work plan for 2023.

The foundation implemented a number of projects in 2023 to deepen the interaction and learning with local teams, including:

- (1) "Taiwan Regional Revitalization Foundation platform" has 242 founding partners.
- (2) "Sound Map: Hearing the Progress of Taiwan Regional Revitalization" depicts the stories of 60 local revitalization teams through sound, text, and images, collecting 300 minutes of team narratives.
- (3) Holding business matchmaking events to connect enterprises as strategic partners, creating a sustainable ecosystem for mutual benefit.
- (4) Hold a series of lectures on local creation, empowerment and brain supplementation.
- (5) "Local Expeditions": Through sharing experiences and collaborative learning, we visit various counties and cities across Taiwan to actively support teams.
- (6) The community takes root and cultivates the local creation seed plan.

## Attachment 8

### Sinyi Realty Inc.

#### To report the excess fund loan improvement plan of the Company's subsidiary.

1. Cause:

The 100%-indirectly-owned subsidiary, Shanghai Sinyi Real Estate Agency Consultancy Co., Ltd. (hereinafter referred to as "Shanghai Sinyi"), provided separate loans to Suzhou Sinyi Property Agency Co., Ltd. (hereinafter referred to as "Suzhou Sinyi") and Chuzhou Yajian Functional Agriculture Technology Co., Ltd. (hereinafter referred to as "Chuzhou Yajian") based on considerations of group fund planning and business strategy. However, following the completion of the audit of Shanghai Sinyi's financial statements for 2022 by Deloitte Touche Tohmatsu Limited, the audit report issued on February 22, 2023, showed that Shanghai Sinyi's net worth at the end of 2022 was NT\$(65,864) thousand. Due to the negative net worth, Shanghai Sinyi exceeded its lending limit, prompting the submission of a plan for improving the excess fund loan to the Board of Directors of the Company on March 29, 2023. Furthermore, in accordance with the request from the Financial Supervisory Commission, reports on the improvement plan for fund lending should be submitted to the Board of Directors of the Company quarterly, with the execution status reported at the shareholders' meeting in 2024 of the Company.

2. Improvement Plan and Execution Status:

(1)The funds of RMB 57,000 thousand lent by Shanghai Sinyi to Suzhou Sinyi was fully recovered on March 27, 2023.

(2)Regarding the improvement plan for the funds lent by Shanghai Sinyi to Chuzhou Yajian, the explanation is as follows:

The funding provided to Chuzhou Yajian by Shanghai Sinyi was intended for the development of real estate to be obtained from the local government in Chuzhou, as part of a collaborative effort with Yalu Group, with whom Shanghai Sinyi has had a longstanding partnership. This initiative, undertaken by Shanghai Sinyi's agency division in 2020, aimed to secure agency sales projects and increase profitability. However, due to the impact of the COVID-19 pandemic and the Evergrande crisis on the first-hand property market in third- and fourth-tier cities in China, the development schedule for the land in question was significantly delayed, facing the risk of returning the land to the local government with penalty. Consequently, it was not feasible to generate profits and repay the loan to Shanghai Sinyi within a short period. Shanghai Sinyi decided to terminate the development project and has pursued debt collection procedures and evaluated the recoverability of the funds lent to Chuzhou Yajian. After evaluating that an amount totaling RMB 6,923 thousand could not potentially be recovered, in accordance with the bad debt provision policy of the Group, Shanghai Sinyi has fully recognized for the loss on the doubtful accounts. However, Shanghai Sinyi will still spare no effort to recover the aforementioned receivables and request Chuzhou Yajian to dispose the development project actively in case the amount could be collected when the development real estate market returns to normal, which can safeguard the interests of the Company.

## Attachment 9

### INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders  
Sinyi Realty Inc.

#### **Opinion**

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, 2023 and 2022, 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, 2023 and 2022, 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, 2023. 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, 2023 are stated as follows:

#### Revenue Earned from Sales of Real Estate

For the year ended December 31, 2023, the Group's revenue from the sales of real estate was NT\$2,664,926 thousand. Refer to Note 4 to the accompanying consolidated financial statements for the accounting policies of revenue recognition 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. for the year ended December 31, 2023, the carrying amount of real estate revenue was NT\$1,910,944 thousand, 72% of total real estate sales revenue. 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 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, 2023, the carrying amount of inventories was NT\$7,582,116 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, 2023 and 2022, 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, 2023 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 26, 2024

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, 2023 AND 2022 (In Thousands of New Taiwan Dollars)

ASSETS	2023		2022	
	Amount	%	Amount	%
<b>CURRENT ASSETS</b>				
Cash and cash equivalents (Notes 4 and 6)	\$ 5,477,434	18	\$ 8,310,286	25
Financial assets at fair value through other comprehensive income - current (Notes 4 and 8)	451,140	2	386,213	1
Notes receivable (Notes 4, 9 and 25)	100,335	-	76,667	-
Trade receivables (Notes 4, 9, 25 and 32)	1,250,304	4	896,903	3
Other receivables (Notes 4, 9 and 32)	57,633	-	97,080	-
Current tax assets (Notes 4 and 27)	62,892	-	9,796	-
Inventories (Notes 4, 5, 10 and 33)	7,582,116	24	9,928,737	29
Other financial assets - current (Notes 11 and 33)	4,268,351	14	2,060,956	6
Other current assets (Note 18)	356,739	1	343,469	1
Total current assets	<u>19,606,944</u>	<u>63</u>	<u>22,110,107</u>	<u>65</u>
<b>NON-CURRENT ASSETS</b>				
Financial asset at fair value through profit or loss - non-current (Notes 4 and 7)	4,614	-	2,500	-
Financial assets at fair value through other comprehensive income - non-current (Notes 4 and 8)	130,923	1	180,074	1
Investments accounted for using the equity method (Notes 4 and 13)	77,688	-	65,434	-
Property, plant and equipment (Notes 4, 5, 14 and 33)	3,985,116	13	3,800,121	11
Right-of-use assets (Notes 4, 5 and 15)	4,745,579	15	4,742,488	14
Investment properties (Notes 4, 5, 16 and 33)	2,263,537	7	1,934,534	6
Intangible assets (Notes 4 and 17)	47,734	-	44,056	-
Deferred tax assets (Notes 4 and 27)	162,021	1	173,776	-
Refundable deposits	129,875	-	144,631	-
Net defined benefit asset (Notes 4 and 23)	17,952	-	-	-
Other financial assets - non-current (Notes 11 and 33)	-	-	859,880	3
Other non-current assets (Notes 18 and 25)	9,093	-	13,076	-
Total non-current assets	<u>11,574,132</u>	<u>37</u>	<u>11,960,570</u>	<u>35</u>
<b>TOTAL</b>	<u>\$ 31,181,076</u>	<u>100</u>	<u>\$ 34,070,677</u>	<u>100</u>
<b>LIABILITIES AND EQUITY</b>				
<b>CURRENT LIABILITIES</b>				
Short-term borrowings (Notes 19 and 33)	\$ 1,498,621	5	\$ 1,098,077	3
Contract liabilities - current (Note 25)	687,413	2	1,514,707	4
Notes payable	130	-	552	-
Trade payables (Note 21)	413,018	1	607,472	2
Other payables (Notes 22 and 32)	3,771,112	12	3,003,058	9
Current tax liabilities (Notes 4 and 27)	514,081	2	339,853	1
Provisions - current (Note 4)	1,563	-	2,070	-
Lease liabilities - current (Notes 4, 15 and 32)	491,133	2	526,700	2
Current portion of long-term borrowings and bonds payable (Notes 19, 20 and 33)	149,911	1	3,700,000	11
Other current liabilities (Note 22)	425,249	1	339,643	1
Total current liabilities	<u>7,952,231</u>	<u>26</u>	<u>11,132,132</u>	<u>33</u>
<b>NON-CURRENT LIABILITIES</b>				
Bonds payable (Note 20)	900,000	3	900,000	3
Long-term borrowings (Notes 19 and 33)	6,281,550	20	5,953,017	18
Provisions - non-current (Note 4)	11,188	-	10,763	-
Deferred tax liabilities (Notes 4 and 27)	105,229	-	116,670	-
Lease liabilities - non-current (Notes 4, 15 and 32)	2,663,956	9	2,800,989	8
Net defined benefit liabilities - non-current (Notes 4 and 23)	4,050	-	10,602	-
Guarantee deposits received	27,244	-	33,206	-
Other non-current liabilities (Note 22)	703,389	2	1,167,818	3
Total non-current liabilities	<u>10,696,606</u>	<u>34</u>	<u>10,993,065</u>	<u>32</u>
Total liabilities	<u>18,648,837</u>	<u>60</u>	<u>22,125,197</u>	<u>65</u>
<b>EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Note 24)</b>				
Ordinary shares	7,368,465	24	7,368,465	22
Capital surplus	63,790	-	63,790	-
Retained earnings				
Legal reserve	2,896,935	9	2,762,813	8
Special reserve	955,999	3	1,061,567	3
Unappropriated earnings	2,369,309	8	1,518,347	5
Total retained earnings	<u>6,222,243</u>	<u>20</u>	<u>5,342,727</u>	<u>16</u>
Other equity				
Exchange differences on translating the financial statements of foreign operations	(1,313,072)	(4)	(997,561)	(3)
Unrealized gain on investments in equity instruments at fair value through other comprehensive income	66,779	-	41,562	-
Total other equity	<u>(1,246,293)</u>	<u>(4)</u>	<u>(955,999)</u>	<u>(3)</u>
Total equity attributable to owners of the Company	12,408,205	40	11,818,983	35
<b>NON-CONTROLLING INTERESTS (Note 24)</b>	124,034	-	126,497	-
Total equity	<u>12,532,239</u>	<u>40</u>	<u>11,945,480</u>	<u>35</u>
<b>TOTAL</b>	<u>\$ 31,181,076</u>	<u>100</u>	<u>\$ 34,070,677</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, 2023 AND 2022

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

	2023		2022	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 4, 25, 32 and 37)				
Sales revenue	\$ 2,664,926	19	\$ 2,668,176	19
Service revenue	<u>11,539,992</u>	<u>81</u>	<u>11,055,550</u>	<u>81</u>
Total operating revenue	<u>14,204,918</u>	<u>100</u>	<u>13,723,726</u>	<u>100</u>
OPERATING COSTS (Notes 10, 23, 26 and 32)				
Cost of sales	1,997,406	14	2,159,325	16
Service cost	<u>8,423,176</u>	<u>60</u>	<u>8,273,282</u>	<u>60</u>
Total operating costs	<u>10,420,582</u>	<u>74</u>	<u>10,432,607</u>	<u>76</u>
GROSS PROFIT	<u>3,784,336</u>	<u>26</u>	<u>3,291,119</u>	<u>24</u>
OPERATING EXPENSES (Notes 9, 23, 26 and 32)				
General and administrative expenses	1,729,675	12	1,711,891	13
Expected credit loss	<u>2,673</u>	<u>-</u>	<u>1,926</u>	<u>-</u>
Total operating expenses	<u>1,732,348</u>	<u>12</u>	<u>1,713,817</u>	<u>13</u>
OPERATING INCOME	<u>2,051,988</u>	<u>14</u>	<u>1,577,302</u>	<u>11</u>
NON-OPERATING INCOME AND EXPENSES				
Interest income (Note 26)	246,083	2	124,330	1
Other income (Notes 26 and 32)	103,633	-	103,436	1
Other gains and losses (Notes 4, 14, 16, 26 and 32)	144,076	1	14,489	-
Finance costs (Notes 26 and 32)	<u>(175,956)</u>	<u>(1)</u>	<u>(157,532)</u>	<u>(1)</u>
Total non-operating income and expenses	<u>317,836</u>	<u>2</u>	<u>84,723</u>	<u>1</u>
PROFIT BEFORE INCOME TAX FROM CONTINUING OPERATIONS	2,369,824	16	1,662,025	12
INCOME TAX EXPENSE (Notes 4 and 27)	<u>(598,470)</u>	<u>(4)</u>	<u>(425,817)</u>	<u>(3)</u>
NET PROFIT FOR THE YEAR	<u>1,771,354</u>	<u>12</u>	<u>1,236,208</u>	<u>9</u>

(Continued)



## SINYI REALTY INC. AND SUBSIDIARIES

### CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2023		2022	
	Amount	%	Amount	%
<b>OTHER COMPREHENSIVE (LOSS) INCOME</b>				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans (Note 23)	\$ 3,356	-	\$ 148,611	1
Unrealized gain (loss) on investments in equity instruments at fair value through other comprehensive income	23,363	-	(196,454)	(1)
Share of the other comprehensive income (loss) of associates accounted for using the equity method	1,854	-	(2,587)	-
Income tax expense relating to items that will not be reclassified subsequently to profit or loss (Note 27)	(671)	-	(29,722)	-
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating the financial statements of foreign operations	<u>(315,536)</u>	<u>(2)</u>	<u>304,605</u>	<u>2</u>
Other comprehensive (loss) income for the year, net of income tax	<u>(287,634)</u>	<u>(2)</u>	<u>224,453</u>	<u>2</u>
<b>TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE YEAR</b>	<u>\$ 1,483,720</u>	<u>10</u>	<u>\$ 1,460,661</u>	<u>11</u>
<b>NET PROFIT ATTRIBUTABLE TO:</b>				
Owners of the Company	\$ 1,760,980	12	\$ 1,223,336	9
Non-controlling interests	<u>10,374</u>	<u>-</u>	<u>12,872</u>	<u>-</u>
	<u>\$ 1,771,354</u>	<u>12</u>	<u>\$ 1,236,208</u>	<u>9</u>
<b>TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:</b>				
Owners of the Company	\$ 1,473,515	10	\$ 1,446,785	11
Non-controlling interests	<u>10,205</u>	<u>-</u>	<u>13,876</u>	<u>-</u>
	<u>\$ 1,483,720</u>	<u>10</u>	<u>\$ 1,460,661</u>	<u>11</u>
<b>EARNINGS PER SHARE (Note 28)</b>				
From continuing operations				
Basic	<u>\$ 2.39</u>		<u>\$ 1.66</u>	
Diluted	<u>\$ 2.39</u>		<u>\$ 1.66</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, 2023 AND 2022  
(In Thousands of New Taiwan Dollars)**

	Equity Attributable to Owners of the Company					Other Equity		Total	Non-controlling Interests	Total Equity
	Share Capital		Retained Earnings			Exchange Differences on Translating Foreign Operations	Unrealized Gain (Loss) on Investments in Equity Instruments at Fair Value through Other Comprehensive Income			
	Ordinary Shares	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings					
BALANCE AT JANUARY 1, 2022	\$ 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 income (loss) 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
Appropriation of 2022 earnings										
Legal reserve	-	-	134,122	-	(134,122)	-	-	-	-	-
Special reserve	-	-	-	(105,568)	105,568	-	-	-	-	-
Cash dividends	-	-	-	-	(884,216)	-	-	(884,216)	-	(884,216)
Difference between consideration and carrying amount of subsidiaries acquired	-	-	-	-	(77)	-	-	(77)	77	-
Net profit for the year ended December 31, 2023	-	-	-	-	1,760,980	-	-	1,760,980	10,374	1,771,354
Other comprehensive income (loss) for the year ended December 31, 2023, net of income tax	-	-	-	-	2,829	(315,511)	25,217	(287,465)	(169)	(287,634)
Total comprehensive income (loss) for the year ended December 31, 2023	-	-	-	-	1,763,809	(315,511)	25,217	1,473,515	10,205	1,483,720
Cash dividends distributed by subsidiaries	-	-	-	-	-	-	-	-	(12,745)	(12,745)
BALANCE AT DECEMBER 31, 2023	\$ 7,368,465	\$ 63,790	\$ 2,896,935	\$ 955,999	\$ 2,369,309	\$ (1,313,072)	\$ 66,779	\$ 12,408,205	\$ 124,034	\$ 12,532,239

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, 2023 AND 2022 (In Thousands of New Taiwan Dollars)

	2023	2022
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Income before income tax	\$ 2,369,824	\$ 1,662,025
Adjustments for:		
Depreciation expenses	674,366	685,442
Amortization expenses	26,481	32,647
Expected credit loss recognized on trade receivables	2,673	1,926
Net loss (gain) on financial assets at fair value through profit or loss	386	(156)
Finance costs	207,881	183,444
Interest income	(246,083)	(124,330)
Dividend income	(9,967)	(13,079)
Share of profit of associates	(17,359)	(16,896)
Net loss on disposal of property, plant and equipment	3,182	2,860
Net (gain) loss on disposal of investment properties	(15,185)	199
Impairment loss recognized on non-financial assets	52,461	82,874
Changes in operating assets and liabilities		
Financial assets mandatorily classified as at fair value through profit or loss	(2,500)	45,244
Notes receivable	(23,668)	28,040
Trade receivables	(356,074)	362,216
Other receivables	50,710	(4,618)
Inventories	1,766,359	(411,408)
Other current assets	(13,270)	(112,008)
Contract liabilities	(827,294)	(208,696)
Notes payable	(422)	552
Trade payables	(194,454)	(204,368)
Other payables	817,789	(785,340)
Provisions	(82)	(1,182)
Other current liabilities	85,606	(37,833)
Other operating liabilities	(486,248)	(183,396)
Cash generated from operations	3,865,112	984,159
Interest received	234,820	125,469
Interest paid	(233,845)	(179,054)
Income tax paid	(477,024)	(1,388,323)
Net cash generated from (used in) operating activities	<u>3,389,063</u>	<u>(457,749)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of financial assets at fair value through other comprehensive income	(3,835)	(56,714)
Proceeds from capital reduction of financial assets at fair value through other comprehensive income	10,000	-
Payments for property, plant and equipment	(210,640)	(134,166)
Proceeds from disposal of property, plant and equipment	446	987
Increase in refundable deposits	-	(33,893)
Decrease in refundable deposits	2,999	-

(Continued)

## SINYI REALTY INC. AND SUBSIDIARIES

### CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars)

	2023	2022
Payments for intangible assets	\$ (30,186)	\$ (16,805)
Payments for right-of-use assets	(261,684)	-
Payments for investment properties	(47,220)	(56,880)
Proceeds from disposal of investment properties	81,988	745
Increase in other financial assets	(1,347,515)	(2,450,783)
Decrease in other non-current assets	3,983	190
Dividends received	<u>16,927</u>	<u>13,576</u>
Net cash used in investing activities	<u>(1,784,737)</u>	<u>(2,733,743)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Increase in short-term borrowings	386,088	1,098,077
Repayment of bonds payable	(3,700,000)	-
Increase in long-term borrowings	30,805,605	16,744,893
Repayment of long-term borrowings	(30,338,387)	(13,434,520)
Decrease in refund of guarantee deposits	(5,962)	(5,038)
Increase in other payables to related parties	-	8,878
Decrease in other payables to related parties	(23,867)	-
Repayment of the principal portion of lease liabilities	(516,260)	(509,862)
Dividends paid to owners of the Company	(884,216)	(2,063,170)
Repayment of the cash dividends of non-controlling interests	<u>(12,745)</u>	<u>(17,728)</u>
Net cash (used in) generated from financing activities	<u>(4,289,744)</u>	<u>1,821,530</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	<u>(147,434)</u>	<u>133,629</u>
DECREASE IN CASH AND CASH EQUIVALENTS	(2,832,852)	(1,236,333)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>8,310,286</u>	<u>9,546,619</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 5,477,434</u>	<u>\$ 8,310,286</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, 2023 and 2022, 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, 2023 and 2022, 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, 2023. 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, 2023, the carrying amount of the investment in Sinyi Development Inc. (Sinyi Development) accounted for using the equity method is NT\$1,918,073 thousand, representing 7% of the Company's assets. For the year ended December 31, 2023, the amount of profit accounted for using the equity method is NT\$279,923 thousand, representing 19% 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, 2023, revenue from the sales of real estate of Sinyi Development was NT\$1,910,944 thousand. Refer to Note 4 to the consolidated financial statements for the 2023 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, 2023, 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\$11,988,676 thousand and NT\$1,918,073 thousand, representing 41% and 7% of the Company's assets, respectively. For the year ended December 31, 2023, the share of profit (loss) of the investments in Sinyi International and Sinyi Development, which were accounted for using the equity method was NT\$339,423 thousand and NT\$279,923 thousand, representing 23% and 19% 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, 2023, the total carrying amount of inventories of Sinyi International, Sinyi International's subsidiaries, and Sinyi Development were NT\$7,582,116 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, 2023 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 26, 2024

#### 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, 2023 AND 2022**  
(In Thousands of New Taiwan Dollars)

ASSETS	2023		2022	
	Amount	%	Amount	%
<b>CURRENT ASSETS</b>				
Cash and cash equivalents (Notes 4 and 6)	\$ 2,499,435	9	\$ 601,894	2
Financial assets at fair value through other comprehensive income - current (Notes 4 and 8)	127,300	-	109,723	1
Notes receivable (Notes 4 and 9)	84,771	-	64,802	-
Trade receivables (Notes 4 and 9)	924,731	3	614,208	2
Trade receivables from related parties (Notes 4 and 29)	156,817	1	113,776	1
Other receivables (Notes 4 and 9)	26,821	-	30,546	-
Other receivables from related parties (Notes 4 and 29)	466,916	2	1,731,616	6
Current tax assets (Notes 4 and 24)	5,052	-	270	-
Other financial assets (Notes 10 and 30)	97,032	-	5,000	-
Other current assets (Note 16)	21,243	-	20,491	-
Total current assets	4,410,118	15	3,292,326	12
<b>NON-CURRENT ASSETS</b>				
Financial assets at fair value through profit or loss - non-current (Notes 4 and 7)	4,614	-	2,500	-
Financial assets at fair value through other comprehensive income - non-current (Notes 4 and 8)	101,216	-	105,404	-
Investments accounted for using the equity method (Notes 4, 11 and 29)	16,291,121	56	16,069,803	57
Property, plant and equipment (Notes 4, 12 and 30)	3,320,073	11	3,307,586	12
Right-of-use assets (Notes 4 and 13)	2,820,962	10	2,948,536	11
Investment properties (Notes 4, 14 and 30)	2,096,776	7	2,151,179	8
Intangible assets (Notes 4 and 15)	37,478	-	36,794	-
Deferred tax assets (Notes 4 and 24)	105,433	-	94,566	-
Refundable deposits	106,053	1	115,523	-
Net defined benefit asset - non-current (Notes 4 and 20)	17,952	-	-	-
Other non-current assets (Note 16)	9,093	-	6,104	-
Total non-current assets	24,910,771	85	24,837,995	88
<b>TOTAL</b>	<b>\$ 29,320,889</b>	<b>100</b>	<b>\$ 28,130,321</b>	<b>100</b>
<b>LIABILITIES AND EQUITY</b>				
<b>CURRENT LIABILITIES</b>				
Short-term borrowings (Notes 17 and 30)	\$ 1,398,621	5	\$ -	-
Notes payable	10	-	-	-
Other payables (Note 19)	3,054,544	10	2,343,263	8
Other payables to related parties (Note 29)	2,546,496	9	1,020,484	4
Current tax liabilities (Notes 4 and 24)	408,137	1	286,574	1
Lease liability - current (Notes 4, 13 and 29)	438,892	1	465,160	2
Current portion of long-term borrowings and bonds payable (Notes 17 and 30)	149,911	1	3,700,000	13
Other current liabilities (Note 19)	198,263	1	138,256	-
Total current liabilities	8,194,874	28	7,953,737	28
<b>NON-CURRENT LIABILITIES</b>				
Bonds payable (Note 18)	900,000	3	900,000	3
Long-term borrowings (Notes 17 and 30)	4,699,803	16	3,799,931	14
Deferred tax liabilities (Notes 4 and 24)	33,628	-	30,614	-
Lease liabilities - non-current (Notes 4, 13 and 29)	2,446,682	9	2,538,098	9
Net defined benefit liabilities - non-current (Notes 4 and 20)	-	-	6,679	-
Guarantee deposits received	25,440	-	32,150	-
Other non-current liabilities (Note 19)	612,257	2	1,050,129	4
Total non-current liabilities	8,717,810	30	8,357,601	30
Total liabilities	16,912,684	58	16,311,338	58
<b>EQUITY (Note 21)</b>				
Ordinary shares	7,368,465	25	7,368,465	26
Capital surplus	63,790	-	63,790	-
Retained earnings				
Legal reserve	2,896,935	10	2,762,813	10
Special reserve	955,999	3	1,061,567	4
Unappropriated earnings	2,369,309	8	1,518,347	5
Total retained earnings	6,222,243	21	5,342,727	19
Other equity				
Exchange differences on translating the financial statements of foreign operations	(1,313,072)	(4)	(997,561)	(3)
Unrealized gain on investments in equity instruments at fair value through other comprehensive income	66,779	-	41,562	-
Total other equity	(1,246,293)	(4)	(955,999)	(3)
Total equity	12,408,205	42	11,818,983	42
<b>TOTAL</b>	<b>\$ 29,320,889</b>	<b>100</b>	<b>\$ 28,130,321</b>	<b>100</b>

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

## SINYI REALTY INC.

### STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2023		2022	
	Amount	%	Amount	%
OPERATING REVENUE				
Service revenue (Notes 4 and 22)	\$ 10,551,141	100	\$ 10,077,630	100
OPERATING COSTS (Notes 20, 23 and 29)	<u>7,764,505</u>	<u>74</u>	<u>7,548,670</u>	<u>75</u>
GROSS PROFIT	<u>2,786,636</u>	<u>26</u>	<u>2,528,960</u>	<u>25</u>
OPERATING EXPENSES (Notes 20, 23 and 29)				
General and administrative expense	1,111,425	10	1,079,356	11
Expected credit (gain) loss (Note 9)	<u>(222)</u>	<u>-</u>	<u>200</u>	<u>-</u>
Total operating expenses	<u>1,111,203</u>	<u>10</u>	<u>1,079,556</u>	<u>11</u>
PROFIT FROM OPERATIONS	<u>1,675,433</u>	<u>16</u>	<u>1,449,404</u>	<u>14</u>
NON-OPERATING INCOME AND EXPENSES				
Interest income (Notes 23 and 29)	16,974	-	17,914	-
Other Income (Note 23)	103,120	1	108,049	1
Other gains and loss (Notes 7, 12, 14, 23 and 29)	51,935	-	12,342	-
Finance costs (Notes 23 and 29)	(158,325)	(1)	(155,498)	(1)
Share of profit or loss of subsidiaries, associates and joint ventures (Note 4)	<u>456,158</u>	<u>4</u>	<u>73,187</u>	<u>1</u>
Total non-operating income and expenses	<u>469,862</u>	<u>4</u>	<u>55,994</u>	<u>1</u>
PROFIT BEFORE INCOME TAX FROM CONTINUING OPERATIONS	2,145,295	20	1,505,398	15
INCOME TAX EXPENSE (Notes 4 and 24)	<u>(384,315)</u>	<u>(3)</u>	<u>(282,062)</u>	<u>(3)</u>
NET PROFIT FOR THE YEAR	<u>1,760,980</u>	<u>17</u>	<u>1,223,336</u>	<u>12</u>

(Continued)

# SINYI REALTY INC.

## STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2023		2022	
	Amount	%	Amount	%
<b>OTHER COMPREHENSIVE INCOME</b>				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans (Note 20)	\$ 3,716	-	\$ 146,801	1
Unrealized gain (loss) on investments in equity instruments at fair value through other comprehensive income	19,554	-	(72,662)	(1)
Share of other comprehensive (loss) income of subsidiaries and associates accounted for using the equity method	5,519	-	(125,939)	(1)
Income tax expense relating to items that will not be reclassified subsequently to profit or loss (Note 24)	(743)	-	(29,360)	-
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating the financial statements of foreign operations	<u>(315,511)</u>	<u>(3)</u>	<u>304,609</u>	<u>3</u>
Other comprehensive (loss) income for the year, net of income tax	<u>(287,465)</u>	<u>(3)</u>	<u>223,449</u>	<u>2</u>
<b>TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE YEAR</b>	<u>\$ 1,473,515</u>	<u>14</u>	<u>\$ 1,446,785</u>	<u>14</u>
<b>EARNINGS PER SHARE (Note 25)</b>				
From continuing operations				
Basic	<u>\$ 2.39</u>		<u>\$ 1.66</u>	
Diluted	<u>\$ 2.39</u>		<u>\$ 1.66</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, 2023 AND 2022  
(In Thousands of New Taiwan Dollars)**

	Ordinary Shares	Capital Surplus	Retained Earnings			Other Equity		Total Equity
			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	
BALANCE AT JANUARY 1, 2022	\$ 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	7,368,465	63,790	2,762,813	1,061,567	1,518,347	(997,561)	41,562	11,818,983
Appropriation of 2022 earnings								
Legal reserve	-	-	134,122	-	(134,122)	-	-	-
Special reserve	-	-	-	(105,568)	105,568	-	-	-
Cash dividends	-	-	-	-	(884,216)	-	-	(884,216)
Different between acquisition price and carrying amount arising from acquisition of subsidiaries	-	-	-	-	(77)	-	-	(77)
Net profit for the year ended December 31, 2023	-	-	-	-	1,760,980	-	-	1,760,980
Other comprehensive income (loss) for the year ended December 31, 2023, net of income tax	-	-	-	-	2,829	(315,511)	25,217	(287,465)
Total comprehensive income (loss) for the year ended December 31, 2023	-	-	-	-	1,763,809	(315,511)	25,217	1,473,515
BALANCE AT DECEMBER 31, 2023	\$ 7,368,465	\$ 63,790	\$ 2,896,935	\$ 955,999	\$ 2,369,309	\$ (1,313,072)	\$ 66,779	\$ 12,408,205

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

# SINYI REALTY INC.

## STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars)

	2023	2022
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before income tax	\$ 2,145,295	\$ 1,505,398
Adjustments for:		
Depreciation expenses	575,024	558,897
Amortization expenses	21,124	26,005
Expected credit loss (reversed) recognized on trade receivables	(222)	200
Net loss on financial assets and liability at fair value through profit or loss	386	-
Finances costs	158,325	155,498
Interest income	(16,974)	(17,914)
Dividend income	(1,115)	(3,572)
Share of profit of subsidiaries and associates	(456,158)	(73,187)
Loss on disposal of property, plant and equipment	2,822	2,387
Loss (gain) on disposal of investment properties	(15,186)	199
Impairment loss recognized on non-financial assets	10,360	10,460
Changes in operating assets and liabilities		
Financial assets mandatorily classified as at fair value through profit or loss	(2,500)	(2,500)
Notes receivable	(19,969)	31,943
Trade receivables	(310,301)	314,918
Trade receivables from related parties	(43,041)	81,161
Other receivables	4,392	(7,369)
Other receivables from related parties	14,799	(11,333)
Other current assets	(752)	3,578
Notes payable	10	-
Other payables	720,969	(751,358)
Other current liabilities	60,007	(101,157)
Other operating liabilities	(458,787)	(179,741)
Cash generated from operations	<u>2,388,508</u>	<u>1,542,513</u>
Interest received	16,307	17,941
Interest paid	(166,311)	(142,170)
Income tax paid	<u>(276,130)</u>	<u>(602,513)</u>
Net cash generated from operating activities	<u>1,962,374</u>	<u>815,771</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of financial assets at fair value through other comprehensive income	(3,835)	(56,714)
Proceeds from capital reduction of financial assets at fair value through other comprehensive income	10,000	-
Purchase of long-term investments accounted for using the equity method	(487,222)	(182,465)
Proceeds from capital reduction of subsidiaries accounted for using the equity method	365,279	-
Payments for property, plant and equipment	(99,624)	(121,288)

(Continued)

# SINYI REALTY INC.

## STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars)

	2023	2022
Proceeds from disposal of property, plant and equipment	\$ 97	\$ 17
Increase in refundable deposits	-	(17,333)
Decrease in refundable deposits	5,982	-
Increase in other receivables from related parties	-	(1,385,809)
Decrease in other receivables from related parties	1,249,901	-
Payments for intangible assets	(21,808)	(12,985)
Net cash inflow on acquisition of subsidiary	-	8,148
Payments for investment properties	(47,220)	(56,880)
Proceeds from disposal of investment properties	81,989	745
Increase in other financial assets	(92,032)	-
Increase in other non-current assets	(2,989)	-
Decrease in other non-current assets	-	190
Dividends received	<u>50,840</u>	<u>61,521</u>
Net cash generated from (used in) investing activities	<u>1,009,358</u>	<u>(1,762,853)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Increase in short-term borrowings	1,398,621	-
Repayment of bonds payable	(3,700,000)	-
Increase in long-term borrowings	30,600,461	14,861,367
Repayments of long-term borrowings	(29,550,678)	(12,211,250)
Decrease in refund of guarantee deposits	(6,710)	(5,061)
Increase in other payables to related parties	1,524,310	819,000
Repayment of the principal portion of lease liabilities	(452,968)	(445,854)
Dividends paid to owners of the Company	<u>(884,216)</u>	<u>(2,063,170)</u>
Net cash (used in) generated from financing activities	<u>(1,071,180)</u>	<u>955,032</u>
<b>EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES</b>		
	<u>(3,011)</u>	<u>(64,624)</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	1,897,541	(56,674)
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>	<u>601,894</u>	<u>658,568</u>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	<u>\$ 2,499,435</u>	<u>\$ 601,894</u>

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

(Concluded)

**Attachment 10**

**Sinyi Realty Inc.**

**Details of the Nominated Candidate Accompanied with Her Education and Main Working Experience**

Title	Name	Education	Main Working Experience	Positions at present	No. of Shares Held
Director	Chen, Li-Hsin	EMBA, Institute of Business Administration, National Chung Hsing University	Vice General Manager of Digital Intelligence Center Vice General Manager of Real Estate Agent Division of the Company Senior Manager of Management Information System (MIS) Department of the Company	General Manager of the Company Chair of Sinyi Global Management Inc.	511,446