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Risk Management Policy and Procedure of Sinyi Realty Corporation	Effective Date	2023/7/25

Article 1. Scope and Basis

This risk management policy and procedure (hereinafter referred to as this policy and procedure) applies to Sinyi Realty Corporation. (hereinafter referred to as the "Company"),

All subsidiaries and related companies belonging to the Sinyi Group also need to comply with the procedures.

Article 2. Purpose

This policy and procedure are formulated to construct a proactive risk management mechanism, enabling related units to respond timely to risk events through the risk management process, thus reducing or avoiding the impact of risk events. Simultaneously, it aims to increase risk awareness among personnel and integrate risk management into operational activities and daily management processes to achieve the following goals: to realize corporate objectives, improve management effectiveness, provide reliable information, and efficiently allocate resources.

Article 3. Risk Management Principle

1. The control of the risk management organization should be clearly defined, and the Board of Directors sits at the top of its risk management system.
2. The risk owner shall collect and summarize the risk management items, decide the level of impact on material items that each risk execution unit has identified, improve the plan, and regularly submit the implementation results of the risk management to the risk management team and Internal Audit.
3. The risk execution unit shall actively identify all risks and maintain an effective risk management mechanism and information system. Continuously cultivating a Risk Intelligent Culture reduces risk control costs, and improve the value of sustainable management.
4. All colleagues should enhance their awareness of risk management, strengthen communication with stakeholders such as customers,

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employees, suppliers, etc. regarding possible risks, implement various response operations when risk events occur, and provide relevant consultation mechanisms for stakeholders to reduce risks of business operations.

Article 4. Risk Appetite and Tolerance of Risk

1. Risk appetite (or risk tolerance) refers to the acceptable degree of variance in achieving goals or visions, that is, the "target risk value" for risk control.
2. Based on the opportunities or negative impacts caused by the risks, and the resources the Company invests in handling the risks, Tolerance of Risk is divided into three categories, including:
 - a. Low tolerance level: the risk cannot occur. Sufficient resources will be prioritized for controlling such risks, and all colleagues are required to comply with relevant control regulations during daily operations.
 - b. Moderate tolerance level: the risk is accepted, reasonable resources will be invested, and the risk will be monitored and controlled through the control mechanism and corresponding measures.
 - c. High tolerance level: dare to accept the occurrence of risky projects in exchange for opportunities or rewards. However, such risks still need to be appropriately monitored and controlled through proper evaluation, planning and execution.

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Article 5. Risk Management Processes

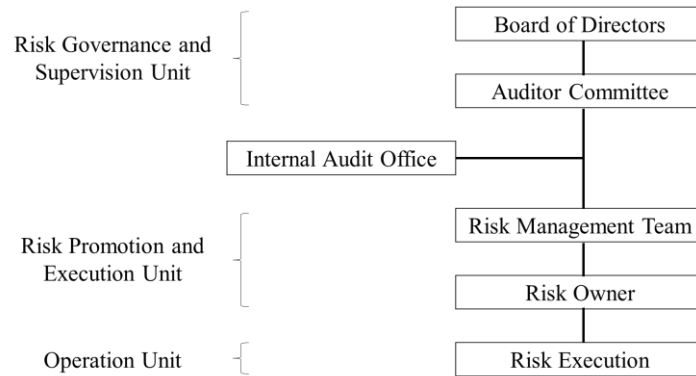
The risk management organization includes the Company's Board of Directors, audit committee, risk management team, risk owner, risk execution unit and internal audit.

1. Board of Directors: The highest supervisory unit for risk management, responsible for reviewing annual risk management reports, risk execution reports and audit reports to ensure the effective implementation of the risk management system.
2. Audit Committee: A risk governance unit accountable to the Board of Directors. It is responsible for supervising the risk management team and reviewing their proposals before submitting them to the Board of Directors for decision-making.
3. Risk Management Team: the Total Ethical Management(TEM) Committee takes up the position of Risk Management Team and is responsible for
 - a. Monitoring the effectiveness of risk management mechanisms.
 - b. Reviewing the annual risk management report and risk execution report, and submitted to the Audit Committee to ensure that risks are properly identified, assessed, and handled.
4. Risk Owner: the top executives of each risk execution unit, responsible for
 - a. Designing, establishing, propelling, coordinating and maintaining a risk management system.
 - b. Consolidating and preparing annual risk management reports and risk execution reports.
 - c. Tracking and supervising the progress and results of the risk management plan.
 - d. Regularly submitting the risk management implementation results to the risk management team.
5. Risk Execution Unit: each division of the Company takes up the position of Risk Execution and is responsible for
 - a. Implementing the risk management plan within the scope of authority.
 - b. Collecting and summarizing the risk management items, impact levels and improvement plans.

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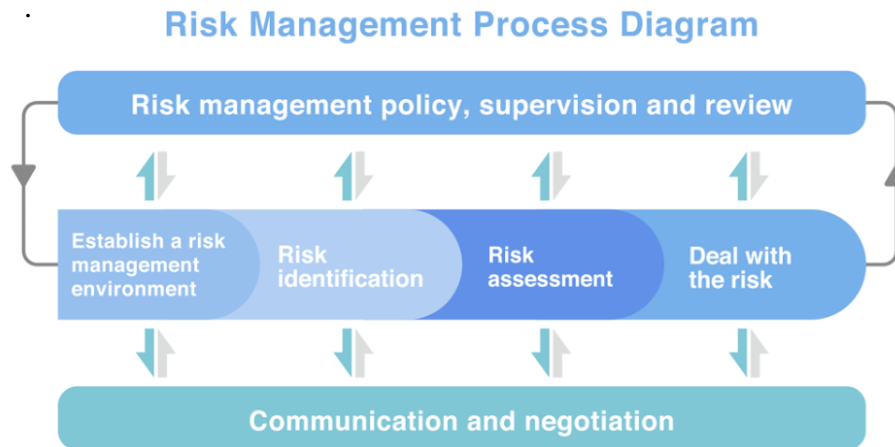
- c. Regularly reporting on the risk management results to the risk owner.
6. Internal Audit: the auditor office takes up the position of Internal Audit and is mainly responsible for
- a. Evaluating the effectiveness of the operation of risk management mechanisms.
 - b. Based on the risk assessment results, formulating a risk-based annual audit plan, and implement it regularly or irregularly.

Article 6. Organization Chart of Risk Management



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Article 7. Risk Management Process



Article 8. Establish a risk management environment

Environmental elements of risk management:

- a. External environment: we should pay close attention to its changing trends, including political, economic, legal, social, cultural, technological, natural disaster events, and related industries, and evaluate its impact on the overall operational impact, analysis of possible opportunities and threats.
- b. Internal environment: we should understand the major risks and have a full grasp of the company's own advantages, disadvantages and capabilities.

Article 9. Identification of Risks

The Risk Execution Unit is responsible for identifying the risks that affect the company's sustainable operation and the achievement of business performance goals. After confirming, The Risk Execution Unit shall take actions and there should be a systematic record of risk identification related information.

Article 10. Evaluation of Risks

The Risk Execution Unit shall evaluate the identified risks, the degree of impact of potential risks and the probability of occurrence, the degree of risk treatment with reference to the tolerance of risky projects.

The risk management and execution units should formulate appropriate quantitative or qualitative measurement standards based on the company's risk characteristics as the basis for risk analysis.

Each execution unit should compare the results of the risk analysis with the approved risk appetite, and plan and implement subsequent risk response plans based on the risk level.

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Article 11. Control Response

Risk response includes seeking alternative strategies, formulating and implementing action plans, and monitoring and reviewing the results of the plan. When formulating control measures, the selected strategy and execution content must be stated, including the authority unit to implement the plan, resource requirements, execution schedule and monitoring indicators.

Article 12. Monitoring mechanism

Risk Owner is the responsible for supervising the implementation. The Board of Directors of the Company confirms the effectiveness of risk management policies by reviewing risk management reports and audit reports

Article 13. Communication and negotiation

The company has established effective communication and reporting systems, so that internal and external risk information can be identified, evaluated and communicated in a timely manner, and the Control Measures are also known to all colleagues and other stakeholders of the Company, So that all colleagues shall take responsibilities or be supported by stakeholders.

Article 14. Risk Management System

Appropriate risk management systems and other necessary management procedures should be established to control risks related to corporate governance, strategic planning, operation/infrastructure, compliance and reporting, etc., and formulate appropriate action plans accordingly.

Article 15. Risk management standardized operation procedures

According to the regulations of the securities authority, the company shall use relevant forms to conduct self-checking on the effectiveness of the design and implementation of the internal control system every year. In addition, the "Sinyi Group Risk Management Manual" was formulated to ensure the effective implementation of risk management operations and to strengthen the risk management mechanism.

Article 16. Occasionally important incident treatment and report

In order to reduce external factors and other major incidents that have a major impact on the company's reputation or endanger normal operations, a "Sinyi Group Crisis Management Operation Process" is also formulated for all units to follow, so as to immediately reduce damage and resume normal operations.

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Article 17. Implementation and amendment

This policy and procedure will be implemented after being approved by the board of directors, and the same applies when revised.

This policy and procedure were established on December 30, 2019;

The first amendment was made on July 25, 2023.