

## **Sinyi Realty Inc. and Subsidiaries**

**Consolidated Financial Statements for the  
Years Ended December 31, 2021 and 2020 and  
Independent Auditors' Report**

## **DECLARATION OF CONSOLIDATED FINANCIAL STATEMENTS OF AFFILIATES**

The companies required to be included in the consolidated financial statements of affiliates in accordance with the “Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises” (the “Criteria”) for the year ended December 31, 2021 are all the same as the companies required to be included in the consolidated financial statements of parent and subsidiary companies as provided in International Financial Reporting Standard No. 10, “Consolidated Financial Statements”. Relevant information that should be disclosed in the consolidated financial statements of affiliates has all been disclosed in the consolidated financial statements of parent and subsidiary companies. Hence, we did not prepare a separate set of consolidated financial statements of affiliates for the reporting purposes under the Criteria.

Very truly yours,

SINYI REALTY INC.

By

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February 25, 2022

## **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, 2021 and 2020, 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, 2021 and 2020, 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 auditing standards generally accepted in the ROC. 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 ROC, 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, 2021. 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, 2021 are stated as follows:

#### Revenue Earned from the Real Estate Agency Sales Business

For the year ended December 31, 2021, the Group's revenue earned from the real estate agency sales business was NT\$1,987,854 thousand. Real estate agency sales will be recognized when the performance obligations stated in each sales contract signed by the Group with construction companies are fulfilled. The revenue earned from a single customer of the real estate agency sales business accounts for a higher percentage of total revenue compared to other services, and the criteria for the recognition of performance obligations involve greater managerial judgment. In particular, the real estate agency sales revenue of Sinyi Realty Inc. was NT\$1,965,318 thousand for the year ended December 31, 2021, which accounted for 99% of the Group's real estate agency sales revenue; and, therefore, the recognition of revenue earned from Sinyi Realty Inc.'s real estate agency sales business has been identified as a key audit matter.

We understood the Company's internal controls related to the revenue recognition process of the real estate agency sales business, evaluated the design of the controls, determined that the controls have been implemented, and tested the operating effectiveness of the controls. We selected samples from sales transactions of the current year, understood the terms of the contracts through inspection of the agency contracts signed by both parties, and determined that the performance obligations had been completed in accordance with the terms of the contracts and revenue was recognized in accordance with the accounting policies by checking the relevant sales receipts. We also selected samples from new construction companies and understood how the Company evaluated the credit risks and tested the recovery of trade receivables.

Refer to Note 4 to the accompanying consolidated financial statements for the Group's accounting policies related to the real estate agency sales business.

#### Valuation of Inventories

As of December 31, 2021, the carrying amount of inventories was NT\$9,503,190 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, 2021 and 2020, 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 ROC 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 auditing standards generally accepted in the ROC 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 auditing standards generally accepted in the ROC, 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, 2021 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 Wen-Yea Shyu.

Deloitte & Touche  
Taipei, Taiwan  
Republic of China

February 25, 2022

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

*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 ROC. 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, 2021 AND 2020 (In Thousands of New Taiwan Dollars)

ASSETS	2021		2020	
	Amount	%	Amount	%
<b>CURRENT ASSETS</b>				
Cash and cash equivalents (Notes 4 and 6)	\$ 9,546,619	29	\$ 6,383,520	20
Financial assets at fair value through profit or loss - current (Notes 4 and 7)	47,588	-	105,525	-
Financial assets at fair value through other comprehensive income - current (Notes 4 and 8)	436,843	1	632,054	2
Notes receivable (Notes 4 and 9)	104,707	-	104,650	-
Trade receivables (Notes 4, 9 and 35)	1,261,045	4	1,246,907	4
Other receivables (Notes 4, 9 and 35)	93,601	-	51,617	-
Current tax assets (Notes 4 and 29)	14,151	-	22,302	-
Inventories (Notes 4, 5, 10 and 36)	9,503,190	29	11,409,582	36
Other financial assets - current (Notes 11 and 36)	137,853	1	116,359	1
Other current assets (Note 18)	<u>238,433</u>	<u>1</u>	<u>246,092</u>	<u>1</u>
Total current assets	<u>21,384,030</u>	<u>65</u>	<u>20,318,608</u>	<u>64</u>
<b>NON-CURRENT ASSETS</b>				
Financial assets at fair value through other comprehensive income - non-current (Notes 4 and 8)	234,726	1	296,506	1
Investments accounted for using the equity method (Notes 4 and 13)	51,622	-	38,057	-
Property, plant and equipment (Notes 4, 5, 14 and 36)	3,504,681	11	3,505,519	11
Right-of-use assets (Notes 4 and 15)	4,822,700	15	5,021,018	16
Investment properties (Notes 4, 5, 16 and 36)	2,174,234	6	2,220,711	7
Intangible assets (Notes 4, 17 and 31)	59,936	-	94,759	-
Deferred tax assets (Notes 4 and 29)	217,830	1	232,235	1
Refundable deposits	132,539	-	128,349	-
Other Financial assets - non-current (Notes 11 and 36)	332,200	1	-	-
Other non-current assets (Notes 9 and 18)	<u>6,294</u>	<u>-</u>	<u>5,710</u>	<u>-</u>
Total non-current assets	<u>11,536,762</u>	<u>35</u>	<u>11,542,864</u>	<u>36</u>
<b>TOTAL</b>	<u>\$ 32,920,792</u>	<u>100</u>	<u>\$ 31,861,472</u>	<u>100</u>
<b>LIABILITIES AND EQUITY</b>				
<b>CURRENT LIABILITIES</b>				
Contract liabilities - current (Notes 21 and 27)	\$ 1,723,403	5	\$ 1,479,529	4
Notes payable	-	-	487	-
Trade payables (Note 22)	811,840	2	274,861	1
Other payables (Notes 23 and 35)	3,774,976	12	3,122,574	10
Current tax liabilities (Notes 4 and 29)	1,256,585	4	1,346,490	4
Provisions - current (Notes 4 and 24)	14,015	-	8,444	-
Lease liability - current (Notes 4, 15 and 35)	549,615	2	544,776	2
Current portion of long-term borrowings and bonds payable (Notes 19, 20 and 36)	29,668	-	727,210	2
Other current liabilities (Note 23)	<u>377,476</u>	<u>1</u>	<u>258,577</u>	<u>1</u>
Total current liabilities	<u>8,537,578</u>	<u>26</u>	<u>7,762,948</u>	<u>24</u>
<b>NON-CURRENT LIABILITIES</b>				
Bonds payable (Note 20)	4,600,000	14	4,600,000	14
Long-term borrowings (Notes 19 and 36)	2,588,321	8	3,774,078	12
Deferred tax liabilities (Notes 4 and 29)	210,853	1	-	-
Lease liabilities - non-current (Notes 4, 15 and 35)	2,899,375	9	2,947,766	9
Net defined benefit liabilities - non-current (Notes 4 and 25)	175,797	-	169,380	1
Guarantee deposits received	38,244	-	32,023	-
Other non-current liabilities (Note 23)	<u>1,304,907</u>	<u>4</u>	<u>920,293</u>	<u>3</u>
Total non-current liabilities	<u>11,817,497</u>	<u>36</u>	<u>12,443,540</u>	<u>39</u>
Total liabilities	<u>20,355,075</u>	<u>62</u>	<u>20,206,488</u>	<u>63</u>
<b>EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Note 26)</b>				
Ordinary shares	<u>7,368,465</u>	<u>22</u>	<u>7,368,465</u>	<u>23</u>
Capital surplus	<u>63,896</u>	<u>-</u>	<u>63,896</u>	<u>-</u>
Retained earnings				
Legal reserve	2,518,043	8	2,345,792	7
Special reserve	772,692	2	587,315	2
Unappropriated earnings	<u>2,773,945</u>	<u>9</u>	<u>1,936,515</u>	<u>6</u>
Total retained earnings	<u>6,064,680</u>	<u>19</u>	<u>4,869,622</u>	<u>15</u>
Other equity (Notes 4 and 26)				
Exchange differences on translating the financial statements of foreign operations	(1,302,170)	(4)	(1,065,685)	(3)
Unrealized gain on investments in equity instruments at fair value through other comprehensive income	<u>240,603</u>	<u>1</u>	<u>292,993</u>	<u>1</u>
Total other equity	<u>(1,061,567)</u>	<u>(3)</u>	<u>(772,692)</u>	<u>(2)</u>
Total equity attributable to owners of the Company	12,435,474	38	11,529,291	36
<b>NON-CONTROLLING INTERESTS (Note 26)</b>	<u>130,243</u>	<u>-</u>	<u>125,693</u>	<u>1</u>
Total equity	<u>12,565,717</u>	<u>38</u>	<u>11,654,984</u>	<u>37</u>
<b>TOTAL</b>	<u>\$ 32,920,792</u>	<u>100</u>	<u>\$ 31,861,472</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, 2021 AND 2020

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

	2021		2020	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 4, 27, 35 and 41)				
Sales revenue	\$ 4,517,084	24	\$ 1,028,272	8
Service revenue	<u>14,275,237</u>	<u>76</u>	<u>12,033,169</u>	<u>92</u>
Total operating revenue	<u>18,792,321</u>	<u>100</u>	<u>13,061,441</u>	<u>100</u>
OPERATING COSTS (Notes 10, 25, 28 and 35)				
Cost of sales	3,654,843	20	624,475	5
Service cost	<u>10,211,461</u>	<u>54</u>	<u>8,678,600</u>	<u>66</u>
Total operating costs	<u>13,866,304</u>	<u>74</u>	<u>9,303,075</u>	<u>71</u>
GROSS PROFIT	<u>4,926,017</u>	<u>26</u>	<u>3,758,366</u>	<u>29</u>
OPERATING EXPENSES (Notes 9, 25, 28 and 35)				
General and administrative expenses	1,794,310	9	1,647,802	13
Expected credit gain	<u>(372)</u>	<u>-</u>	<u>(4,111)</u>	<u>-</u>
Total operating expenses	<u>1,793,938</u>	<u>9</u>	<u>1,643,691</u>	<u>13</u>
OPERATING INCOME	<u>3,132,079</u>	<u>17</u>	<u>2,114,675</u>	<u>16</u>
NON-OPERATING INCOME AND EXPENSES				
Interest income (Note 28)	103,900	1	89,557	1
Rental income (Note 35)	103,724	-	94,179	1
Dividend income	12,794	-	34,772	-
Other gains and losses (Notes 4, 15, 16, 17, 28 and 35)	26,348	-	20,178	-
Finance costs (Notes 28 and 35)	<u>(149,904)</u>	<u>(1)</u>	<u>(166,837)</u>	<u>(1)</u>
Total non-operating income and expenses	<u>96,862</u>	<u>-</u>	<u>71,849</u>	<u>1</u>
PROFIT BEFORE INCOME TAX FROM CONTINUING OPERATIONS	3,228,941	17	2,186,524	17
INCOME TAX EXPENSE (Notes 4 and 29)	<u>(858,582)</u>	<u>(4)</u>	<u>(617,356)</u>	<u>(5)</u>
NET PROFIT FOR THE YEAR	<u>2,370,359</u>	<u>13</u>	<u>1,569,168</u>	<u>12</u>

(Continued)



## SINYI REALTY INC. AND SUBSIDIARIES

### CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2021		2020	
	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 25)	\$ (18,833)	-	\$ (20,274)	-
Unrealized gain (loss) on investments in equity instruments at fair value through other comprehensive income	57,075	-	(129,407)	(1)
Share of the other comprehensive income (loss) of associates accounted for using the equity method	2,740	-	(558)	-
Income tax benefit relating to items that will not be reclassified subsequently to profit or loss (Note 29)	3,767	-	4,055	-
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating the financial statements of foreign operations	<u>(236,485)</u>	<u>(1)</u>	<u>130,978</u>	<u>1</u>
Other comprehensive loss for the year, net of income tax	<u>(191,736)</u>	<u>(1)</u>	<u>(15,206)</u>	<u>-</u>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	<u>\$ 2,178,623</u>	<u>12</u>	<u>\$ 1,553,962</u>	<u>12</u>
<b>NET PROFIT ATTRIBUTABLE TO:</b>				
Owners of the Company	\$ 2,349,841	13	\$ 1,552,287	12
Non-controlling interests	<u>20,518</u>	<u>-</u>	<u>16,881</u>	<u>-</u>
	<u>\$ 2,370,359</u>	<u>13</u>	<u>\$ 1,569,168</u>	<u>12</u>
<b>TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:</b>				
Owners of the Company	\$ 2,158,822	12	\$ 1,537,137	12
Non-controlling interests	<u>19,801</u>	<u>-</u>	<u>16,825</u>	<u>-</u>
	<u>\$ 2,178,623</u>	<u>12</u>	<u>\$ 1,553,962</u>	<u>12</u>
<b>EARNINGS PER SHARE (Note 30)</b>				
Basic	<u>\$3.19</u>		<u>\$2.11</u>	
Diluted	<u>\$3.18</u>		<u>\$2.10</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, 2021 AND 2020  
(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 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, 2020	\$ 7,368,465	\$ 63,896	\$ 2,224,122	\$ 240,436	\$ 1,566,765	\$ (1,196,665)	\$ 609,351	\$ 10,876,370	\$ 111,661	\$ 10,988,031
Appropriation of 2019 earnings										
Legal reserve	-	-	121,670	-	(121,670)	-	-	-	-	-
Special reserve	-	-	-	346,879	(346,879)	-	-	-	-	-
Cash dividends	-	-	-	-	(884,216)	-	-	(884,216)	-	(884,216)
Net profit for the year ended December 31, 2020	-	-	-	-	1,552,287	-	-	1,552,287	16,881	1,569,168
Other comprehensive (loss) income for the year ended December 31, 2020, net of income tax	-	-	-	-	(16,165)	130,980	(129,965)	(15,150)	(56)	(15,206)
Total comprehensive income (loss) for the year ended December 31, 2020	-	-	-	-	1,536,122	130,980	(129,965)	1,537,137	16,825	1,553,962
Cash dividends distributed by the subsidiaries	-	-	-	-	-	-	-	-	(2,793)	(2,793)
Disposal of equity instruments at fair value through other comprehensive income	-	-	-	-	186,393	-	(186,393)	-	-	-
BALANCE AT DECEMBER 31, 2020	7,368,465	63,896	2,345,792	587,315	1,936,515	(1,065,685)	292,993	11,529,291	125,693	11,654,984
Appropriation of 2020 earnings										
Legal reserve	-	-	172,251	-	(172,251)	-	-	-	-	-
Special reserve	-	-	-	185,377	(185,377)	-	-	-	-	-
Cash dividends	-	-	-	-	(1,252,639)	-	-	(1,252,639)	-	(1,252,639)
Actual acquisition of interests in subsidiaries	-	-	-	-	-	-	-	-	-	-
Net profit for the year ended December 31, 2021	-	-	-	-	2,349,841	-	-	2,349,841	20,518	2,370,359
Other comprehensive (loss) income for the year ended December 31, 2021, net of income tax	-	-	-	-	(14,349)	(236,485)	59,815	(191,019)	(717)	(191,736)
Total comprehensive income (loss) for the year ended December 31, 2021	-	-	-	-	2,335,492	(236,485)	59,815	2,158,822	19,801	2,178,623
Cash dividends distributed by subsidiaries	-	-	-	-	-	-	-	-	(15,251)	(15,251)
Disposal of investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	112,205	-	(112,205)	-	-	-
BALANCE AT DECEMBER 31, 2021	\$ 7,368,465	\$ 63,896	\$ 2,518,043	\$ 772,692	\$ 2,773,945	\$ (1,302,170)	\$ 240,603	\$ 12,435,474	\$ 130,243	\$ 12,565,717

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, 2021 AND 2020 (In Thousands of New Taiwan Dollars)

	2021	2020
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Income before income tax	\$ 3,228,941	\$ 2,186,524
Adjustments for:		
Depreciation expenses	696,825	679,630
Amortization expenses	32,135	29,347
Expected credit loss reversed on trade receivables	(372)	(4,111)
Loss on financial assets at fair value through profit or loss	128	253
Finance costs	192,680	286,786
Interest income	(103,900)	(89,574)
Dividend income	(12,794)	(34,772)
Share of profit of associates and joint ventures	(11,277)	(6,790)
Net loss on disposal of property, plant and equipment	2,594	1,134
Net gain on disposal of investment properties	(7,253)	(6,715)
Impairment loss recognized on non-financial assets	64,215	66,058
Changes in operating assets and liabilities		
Financial assets at fair value through profit or loss	57,494	(30,388)
Notes receivable	(57)	(58,836)
Trade receivables	(13,766)	(199,345)
Other receivables	(41,894)	7,600
Inventories	1,802,859	(709,647)
Other current assets	7,659	(143,551)
Contract liabilities	243,874	1,195,142
Notes payable	(487)	129
Trade payables	536,979	(104,893)
Other payables	666,689	518,286
Provisions	5,571	(930)
Other current liabilities	118,899	138,073
Other operating liabilities	375,965	258,492
Cash generated from operations	<u>7,841,707</u>	<u>3,977,902</u>
Interest received	103,810	88,384
Interest paid	(198,101)	(287,377)
Income tax paid	<u>(715,078)</u>	<u>(224,612)</u>
Net cash generated from operating activities	<u>7,032,338</u>	<u>3,554,297</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of financial assets at fair value through other comprehensive income	(6,569)	(16,286)
Proceeds from sale of financial assets at fair value through other comprehensive income	311,903	280,361
Net cash outflow on acquisition of subsidiaries	-	(3,768)
Payments for property, plant and equipment	(111,726)	(128,544)
Proceeds from disposal of property, plant and equipment	2,197	1,645
Increase in refundable deposits	(7,593)	(40,588)
Increase in other receivables	-	(24,517)

(Continued)

## SINYI REALTY INC. AND SUBSIDIARIES

### CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020 (In Thousands of New Taiwan Dollars)

	2021	2020
Payments for intangible assets	\$ (39,029)	\$ (31,041)
Payments for right-of-use assets	-	(550,795)
Payments for investment properties	(32,200)	-
Proceeds from disposal of investment properties	64,691	42,642
Increase in other financial assets	(353,694)	-
Decrease in other financial assets	-	122,690
Increase in other non-current assets	(584)	-
Decrease in other non-current assets	-	57,925
Dividends received	<u>13,246</u>	<u>34,848</u>
Net cash used in investing activities	<u>(159,358)</u>	<u>(255,428)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from bonds payable	(700,000)	-
Proceeds from long-term borrowings	11,954,227	13,868,451
Repayment of long-term borrowings	(13,149,779)	(16,975,832)
Increase in refund of guarantee deposits	6,221	-
Refund of guarantee deposits received	-	(3,167)
Decrease in other payables to related parties	(8,688)	(13,701)
Repayment of the principal portion of lease liabilities	(516,531)	(502,149)
Dividends paid to owners of the Company	(1,252,639)	(884,216)
Repayment of the cash dividends of non-controlling interests	<u>(15,251)</u>	<u>(2,793)</u>
Net cash used in financing activities	<u>(3,682,440)</u>	<u>(4,513,407)</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	<u>(27,441)</u>	<u>117,886</u>
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	3,163,099	(1,096,652)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>6,383,520</u>	<u>7,480,172</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 9,546,619</u>	<u>\$ 6,383,520</u>

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

(Concluded)

# SINYI REALTY INC. AND SUBSIDIARIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

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### 1. GENERAL INFORMATION

Sinyi Realty Inc. (the “Company”) was incorporated in January 1987 and engages in the operation of a full-service real-estate brokerage business. The head office is situated in Taipei City, Taiwan, Republic of China (ROC). The Company continues to expand by establishing branches in Taiwan and highly focuses on promoting its brand value. The Company’s subsidiaries engage in the operation of a full-service real-estate brokerage and the related business, real estate development or tourism business.

In August 1999, the Securities and Futures Bureau (SFB) approved the trading of the Company’s ordinary shares on the over-the-counter (OTC) securities exchange in the ROC. In September 2001, the SFB approved the listing of the Company’s shares on the Taiwan Stock Exchange (TWSE).

The consolidated financial statements were presented New Taiwan dollars, the functional currency of the Company

### 2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved by the board of directors and authorized for issue on February 25, 2022.

### 3. APPLICATION OF NEW, AMENDED AND REVISED STANDARDS AND INTERPRETATIONS

- a. Initial application of the Financial Reports by Securities Issuers and the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), Interpretations of IFRS (IFRIC), and Interpretations of IAS (SIC) (collectively, the “IFRSs”) endorsed and issued into effect by the Financial Supervisory Commission (FSC). The initial application of the IFRSs endorsed and issued into effect by the FSC did not have material impact on the Group’s accounting policies.

The initial application of the IFRSs endorsed and issued into effect by the FSC did not have material impact on the Group’s accounting policies.

- b. The IFRSs endorsed by the FSC for application starting from 2022

New IFRSs	Effective Date Announced by IASB
“Annual Improvements to IFRS Standards 2018-2020”	January 1, 2022 (Note 1)
Amendments to IFRS 3 “Reference to the Conceptual Framework”	January 1, 2022 (Note 2)
Amendments to IAS 16 “Property, Plant and Equipment - Proceeds before Intended Use”	January 1, 2022 (Note 3)
Amendments to IAS 37 “Onerous Contracts - Cost of Fulfilling a Contract”	January 1, 2022 (Note 4)

Note 1: The amendments to IFRS 9 will be applied prospectively to modifications and exchanges of financial liabilities that occur on or after the annual reporting periods beginning on or after January 1, 2022. The amendments to IAS 41 “Agriculture” will be applied prospectively to the fair value measurements on or after the annual reporting periods beginning on or after January 1, 2022. The amendments to IFRS 1 “First-time Adoptions of IFRSs” will be applied retrospectively for annual reporting periods beginning on or after January 1, 2022.

Note 2: The amendments are applicable to business combinations for which the acquisition date is on or after the beginning of the annual reporting period beginning on or after January 1, 2022.

Note 3: The amendments are applicable to property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after January 1, 2021.

Note 4: The amendments are applicable to contracts for which the entity has not yet fulfilled all its obligations on January 1, 2022.

As of the date the consolidated financial statements were authorized for issue, the Group assessed that the application of above standards and interpretations did not have material impact on the Group’s accounting policies and financial performance.

c. New IFRSs in issue but not yet endorsed and issued into effect by the FSC

<b>New IFRSs</b>	<b>Effective Date Announced by IASB (Note 1)</b>
Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between An Investor and Its Associate or Joint Venture”	To be determined by IASB
IFRS 17 “Insurance Contracts”	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 “Initial Application of IFRS 9 and IFRS 17 - Comparative Information”	January 1, 2023
Amendments to IAS 1 “Classification of Liabilities as Current or Non-current”	January 1, 2023
Amendments to IAS 1 “Disclosure of Accounting Policies”	January 1, 2023 (Note 2)
Amendments to IAS 8 “Definition of Accounting Estimates”	January 1, 2023 (Note 3)
Amendments to IAS 12 “Deferred Tax related to Assets and Liabilities arising from a Single Transaction”	January 1, 2023 (Note 4)

Note 1: Unless stated otherwise, the above New IFRSs are effective for annual reporting periods beginning on or after their respective effective dates.

Note 2: The amendments will be applied prospectively for annual reporting periods beginning on or after January 1, 2023.

Note 3: The amendments are applicable to changes in accounting estimates and changes in accounting policies that occur on or after the beginning of the annual reporting period beginning on or after January 1, 2023.

Note 4: Except for deferred taxes that will be recognized on January 1, 2022 for temporary differences associated with leases and decommissioning obligations, the amendments will be applied prospectively to transactions that occur on or after January 1, 2022.

As of the date the consolidated financial statements were authorized for issue, the Group is continuously assessing the possible impact that the application of above standards and interpretations will have on the Group's financial position and financial performance and will disclose the relevant impact when the assessment is completed.

#### 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

##### a. Statement of compliance

The consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IFRSs as endorsed and issued into effect by the FSC.

##### b. Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis except for financial instruments which are measured at fair value and net defined benefit liabilities which are measured at the present value of the defined benefit obligation less the fair value of plan assets.

The fair value measurements, which are grouped into Levels 1 to 3 based on the degree to which the fair value measurement inputs are observable and based on the significance of the inputs to the fair value measurement in its entirety, are described as follows:

- 1) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities;
- 2) Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
- 3) Level 3 inputs are unobservable inputs for the asset or liability.

##### c. Classification of current and non-current assets and liabilities

Current assets include:

- Assets held primarily for the purpose of trading;
- Assets expected to be realized within 12 months after the reporting period; and
- Cash and cash equivalents unless the asset is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

Current liabilities include:

- Liabilities held primarily for the purpose of trading;
- Liabilities due to be settled within 12 months after the reporting period, even if an agreement to refinance, or to reschedule payments, on a long-term basis is completed after the reporting period and before the consolidated financial statements are authorized for issue; and
- Liabilities for which the Group does not have an unconditional right to defer settlement for at least 12 months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Assets and liabilities that are not classified as current are classified as non-current.

The Group engages in the construction business, which has an operating cycle of over one year; the normal operating cycle of over one year is observed when considering the classification of the Group's construction-related assets and liabilities.

d. Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and the entities controlled by the Company (i.e., its subsidiaries).

Income and expenses of subsidiaries acquired or disposed of during the period are included in the consolidated statement of profit or loss and other comprehensive income from the effective date of acquisition up to the effective date of disposal, as appropriate.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the Company.

All intra-group transactions, balances, income and expenses are eliminated in full upon consolidation. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to the owners of the Company.

See Note 12, Tables 6 and 7 following the notes to consolidated financial statements for the detailed information of subsidiaries (including the percentage of ownership and main business).

e. Business combinations

Acquisitions of businesses are accounted for using the acquisition method. Acquisition-related costs are generally recognized in profit or loss as they are incurred.

Goodwill is measured as the excess of the sum of the consideration transferred and the fair value of the acquirer's previously held equity interests in the acquiree over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

f. Foreign currencies

In preparing the financial statements of each individual entity, transactions in currencies other than the individual entity's functional currency (i.e., foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions.

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Exchange differences on monetary items arising from settlement or translation are recognized in profit or loss in the period in which they arise.

Non-monetary items measured at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Exchange differences arising from the retranslation of non-monetary items are included in profit or loss for the year except for exchange differences arising from the retranslation of non-monetary items in respect of which gains and losses are recognized directly in other comprehensive income, in which case, the exchange differences are also recognized directly in other comprehensive income.



Non-monetary items denominated in foreign currencies and measured at historical cost are stated at the reporting currencies as originally translated from the foreign currencies.

For the purpose of presenting the consolidated financial statements, the functional currencies of the Company and the entities in the Group (including subsidiaries and associates) are translated into the presentation currency - the New Taiwan dollars as follows: Assets and liabilities are translated at the exchange rates prevailing at the end of the reporting period; income and expense items are translated at the average exchange rates for the year. The resulting currency translation differences are recognized in other comprehensive income (attributed to the owners of the Company and non-controlling interests as appropriate).

On the disposal of a foreign operation (i.e., a disposal of the Company's entire interest in a foreign operation, or a disposal involving the loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an interest in a joint arrangement or an associate that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

In relation to a partial disposal of a subsidiary that does not result in the Company losing control over the subsidiary, the proportionate share of accumulated exchange differences is included in the calculation of equity transactions but is not recognized in profit or loss. For all other partial disposals, the proportionate share of the accumulated exchange differences recognized in other comprehensive income is reclassified to profit or loss.

g. Inventories

Inventories consist of properties under development, undeveloped properties, prepayment for land purchases and merchandise. Once the ownership of land is transferred, it will be recorded under land held for construction site. Payments for land purchases prior the transition of ownership is recorded under prepayment for land purchases. Inventories are stated at the lower of cost or net realizable value. Inventory write-downs are made by item, except where it may be appropriate to group similar or related items. The net realizable value is the estimated selling price of inventories less all estimated costs of completion and costs necessary to make the sale.

Before acquiring land use right and before completing the construction, the interest incurred on land payment and the actual construction cost are capitalized as cost of land use rights and as development costs, respectively.

h. Investments in associates

An associate is an entity over which the Group has significant influence and that is not a subsidiary.

The Group uses the equity method to account for its investments in associates.

Under the equity method, investments in an associate are initially recognized at cost and adjusted thereafter to recognize the Group's share of the profit or loss and other comprehensive income of the associate and joint venture. The Group also recognizes the changes in the Group's share of the equity of associates attributable to the Group.

Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets and liabilities of an associate at the date of acquisition is recognized as goodwill, which is included within the carrying amount of the investment and is not amortized. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of acquisition, after reassessment, is recognized immediately in profit or loss.

When the Group subscribes for additional new shares of the associate and joint venture at a percentage different from its existing ownership percentage, the resulting carrying amount of the investment differs from the amount of the Group's proportionate interest in the associate and joint venture. The Group records such a difference as an adjustment to investments with the corresponding amount charged or credited to capital surplus - changes in the Group's share of equity of associates and joint ventures. If the Group's ownership interest is reduced due to the additional subscription of the new shares of associate and joint venture, the proportionate amount of the gains or losses previously recognized in other comprehensive income in relation to that associate and joint venture is reclassified to profit or loss on the same basis as would be required if the investee had directly disposed of the related assets or liabilities. When the adjustment should be debited to capital surplus, but the capital surplus recognized from investments accounted for using the equity method is insufficient, the shortage is debited to retained earnings.

i. Property, plant and equipment

Property, plant and equipment are stated at cost less recognized accumulated depreciation and accumulated impairment loss.

Property, plant and equipment in the course of construction are measured at cost, less any recognized impairment loss. Cost includes professional fees and borrowing costs eligible for capitalization. Such assets are depreciated and classified to the appropriate categories of property, plant and equipment when completed and ready for their intended use.

Depreciation of property, plant and equipment is recognized using the straight-line method. Each significant part is depreciated separately. If the lease term of the item of property, plant and equipment is shorter than its useful life, it is depreciated over its lease term. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

On derecognition of an item of property, plant and equipment, the difference between the sales proceeds and the carrying amount of the asset is recognized in profit or loss.

j. Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation. Investment properties also include land held for a currently undetermined future use.

Freehold investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at cost less accumulated depreciation and accumulated impairment loss. Depreciation is recognized using the straight-line method.

On derecognition of an investment property, the difference between the net disposal proceeds and the carrying amount of the asset is included in profit or loss.

k. Goodwill

Goodwill arising from the acquisition of a business is measured at cost as established at the date of acquisition of the business less accumulated impairment loss.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units or groups of cash-generating units (referred to as "cash-generating units") that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired, by comparing its carrying amount, including the allocated goodwill, with its recoverable amount. If the goodwill allocated to a cash-generating unit was acquired in a business combination during the current annual period, that unit shall be tested for impairment before the end of the current annual period. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss is recognized directly in profit or loss. Any impairment loss recognized on goodwill is not reversed in subsequent periods.

If goodwill has been allocated to a cash-generating unit and the Group disposes of an operation within that unit, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal.

l. Intangible assets

1) Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are initially measured at cost and subsequently measured at cost less accumulated amortization and accumulated impairment loss. Amortization is recognized on a straight-line basis. The estimated useful life, residual value, and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimates accounted for on a prospective basis.

2) Intangible assets acquired in a business combination

Intangible assets acquired in a business combination and recognized separately from goodwill are initially recognized at their fair value at the acquisition date (which is regarded as their cost). Subsequent to initial recognition, they are measured on the same basis as intangible assets that are acquired separately.

3) Derecognition of intangible assets

On derecognition of an intangible asset, the difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss.

m. Assets related to contract costs

When a sales contract is obtained, commission paid to employees who obtained from the sale of property and selling service fees paid to agents under exclusive sale agreements are recognized as assets (incremental cost of obtaining a contract) to the extent that the costs are expected to be recovered and are recognized in profit or loss when the property is transferred to the customers. However, the Group elects not to capitalize the incremental costs of obtaining a contract if the amortization period of the related asset, which the Group otherwise would have recognized, is expected to be one year or less.

n. Impairment of property, plant and equipment, right-of-use asset and intangible assets other than goodwill and assets

At the end of each reporting period, the Group reviews the carrying amounts of its property, plant and equipment, right-of-use assets and intangible assets, excluding goodwill, to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Corporate assets are allocated to the individual cash-generating units on a reasonable and consistent basis of allocation.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

The recoverable amount is the higher of fair value less costs to sell and value in use. If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount, with the resulting impairment loss recognized in profit or loss.

Before the Group recognizes an impairment loss from assets related to contract costs, any impairment loss on inventories, property, plant and equipment and intangible assets related to the contract applicable shall be recognized in accordance with applicable standards. Then, impairment loss from the assets related to the contract costs is recognized to the extent that the carrying amount of the assets exceeds the remaining amount of consideration that the Group expects to receive in exchange for related goods or services less the costs which relate directly to providing those goods or services and which have not been recognized as expenses. The assets related to the contract costs are then included in the carrying amount of the cash-generating unit to which they belong for the purpose of evaluating impairment of that cash-generating unit.

When an impairment loss is subsequently reversed, the carrying amount of the asset, cash-generating unit, or assets is increased to the revised estimate of its recoverable amount, but only to the extent of the carrying amount that would have been determined had no impairment loss been recognized on the asset or cash-generating unit in prior years. A reversal of an impairment loss is recognized in profit or loss.

o. Financial instruments

Financial assets and financial liabilities are recognized when an entity in the Group becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issuance of financial assets and financial liabilities (other than financial assets and financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognized immediately in profit or loss.

1) Financial assets

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis.

a) Measurement category

Financial assets are classified into the following categories: financial assets at FVTPL, financial assets at amortized cost, and investments in equity instruments at FVTOCI.

i. Financial assets at FVPTL

Financial assets are classified as at FVTPL when such a financial asset is mandatorily classified or designated as at FVTPL.

A financial asset may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise.

Financial assets mandatorily classified as at FVTPL include investments in equity instruments which are not designated as at FVTOCI that do not meet the amortized cost criteria.

Financial assets at FVTPL are subsequently measured at fair value, and any dividends, interest earned and remeasurement gains or losses on such financial assets are recognized in other gains or losses. Fair value is determined in the manner described in Note 34.

ii. Financial assets at amortized cost

Financial assets that meet the following conditions are subsequently measured at amortized cost:

- i) The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- ii) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, financial assets at amortized cost, including cash and cash equivalents, trade receivables at amortized cost, other receivables, other financial assets - current and refundable deposits, are measured at amortized cost, which equals the gross carrying amount determined using the effective interest method less any impairment loss. Exchange differences are recognized in profit or loss.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of such a financial asset, except for:

- i) Purchased or originated credit-impaired financial assets, for which interest income is calculated by applying the credit-adjusted effective interest rate to the amortized cost of such financial assets; and
- ii) Financial assets that are not credit-impaired on purchase or origination but have subsequently become credit-impaired, for which interest income is calculated by applying the effective interest rate to the amortized cost of such financial assets in subsequent reporting periods.

Cash equivalents include time deposits with original maturities within 3 months from the date of acquisition, which are highly liquid, readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These cash equivalents are held for the purpose of meeting short-term cash commitments.

iii. Investments in equity instruments at FVTOCI

On initial recognition, the Group may make an irrevocable election to designate investments in equity instruments as at FVTOCI. Designation as at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognized by an acquirer in a business combination.

Investments in equity instruments at FVTOCI are subsequently measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in other equity. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments; instead, it will be transferred to retained earnings.

Dividends on these investments in equity instruments are recognized in profit or loss when the Group's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment.

b) Impairment of financial assets

The Group recognizes a loss allowance for expected credit losses on financial assets at amortized cost (including trade receivables).

The Group always recognizes lifetime expected credit loss (ECL) for trade receivables. For all other financial instruments, the Group recognizes lifetime ECL when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

Expected credit losses reflect the weighted average of credit losses with the respective risks of default occurring as the weights. Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

The Group recognizes an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

c) Derecognition of financial assets

The Group derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset at amortized cost in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss. However, on derecognition of an investment in an equity instrument at FVTOCI, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss, and the cumulative gain or loss which had been recognized in other comprehensive income is transferred directly to retained earnings, without recycling through profit or loss.

2) Financial liabilities

a) Subsequent measurement

All financial liabilities are measured at amortized cost using the effective interest method.

b) Derecognition of financial liabilities

The difference between the carrying amount of the financial liability derecognized and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

p. Provisions

Provisions are measured at the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

q. Revenue recognition

The Group identifies the contract with the customers, allocates the transaction price to the performance obligations, and recognizes revenue when performance obligations are satisfied.

Revenue from rendering of services

Revenue from rendering of services comes from real-estate brokerage and agency sale business and will be recognized when performance obligations are completed.

Revenue from sale of real estate

Revenue from sales of real estate in mainland China is recognized on the day of real estate transfer when buyers and sellers sign and register the sales contract to the local real estate institution and acceptance has been issued by relevant departments and the filing procedures are completed. The Group issues a notice of real estate transfer according to the provisions of the contract. Revenue from the sale of properties in Taiwan is recognized when construction is completed, certificates of ownership of the properties are transferred to buyers. Until such revenue is recognized, deposits and installment payments from sales of properties are recognized as contract liabilities - current in the consolidated balance sheets.

r. Leasing

At the inception of a contract, the Group assesses whether the contract is, or contains, a lease.

1) The Group as lessor

Leases are classified as finance leases whenever the terms of a lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Under finance leases, lease payments (less any lease incentives payable) from operating leases are recognized as income on a straight-line over the terms of the relevant leases. Initial direct costs incurred in obtaining operating leases are added to the carrying amounts of the underlying assets and recognized as expenses on a straight-line basis over the lease terms.

When a lease includes both land and building elements, the Group assesses the classification of each element separately as a finance or an operating lease based on the assessment as to whether substantially all the risks and rewards incidental to ownership of each element have been transferred to the lessee. The lease payments are allocated between the land and the building elements in proportion to the relative fair values of the leasehold interests in the land element and building element of the lease at the inception of a contract. If the allocation of the lease payments can be made reliably, each element is accounted for separately in accordance with its lease classification. When the lease payments cannot be allocated reliably between the land and building elements, the entire lease is generally classified as a finance lease unless it is clear that both elements are operating leases; in which case, the entire lease is classified as an operating lease.

## 2) The Group as lessee

The Group recognizes right-of-use assets and lease liabilities for all leases at the commencement date of a lease, except for short-term leases and low-value asset leases accounted for applying a recognition exemption where lease payments are recognized as expenses on a straight-line basis over the lease terms.

Right-of-use assets are initially measured at cost, which comprises the initial measurement of lease liabilities adjusted for lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs needed to restore the underlying assets, and less any lease incentives received. Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses and adjusted for any remeasurement of the lease liabilities. Right-of-use assets are presented on a separate line in the consolidated balance sheets.

Right-of-use assets are depreciated using the straight-line method from the commencement dates to the earlier of the end of the useful lives of the right-of-use assets or the end of the lease terms.

Lease liabilities are initially measured at the present value of the lease payments, which comprise fixed payments and in-substance fixed payments. The lease payments are discounted using the interest rate implicit in a lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group uses the lessee's incremental borrowing rate.

Subsequently, lease liabilities are measured at amortized cost using the effective interest method, with interest expense recognized over the lease terms. When there is a change in a lease term, or a change in the amounts expected to be payable under a residual value guarantee, the Group remeasures the lease liabilities with a corresponding adjustment to the right-of-use-assets. However, if the carrying amount of the right-of-use assets is reduced to zero, any remaining amount of the remeasurement is recognized in profit or loss. Lease liabilities are presented on a separate line in the consolidated balance sheets.

The Group negotiates with the lessor for rent concessions as a direct consequence of the Covid-19 to change the lease payments originally due by June 30, 2022, that results in the revised consideration for the lease. The Group elects to apply the practical expedient to all of these rent concessions and, therefore, does not assess whether the rent concessions are lease modifications. Instead, the Group recognizes the reduction in lease payment in profit or loss as a deduction of expenses of variable lease payments, in the period in which the events or conditions that trigger the concession occur, and makes a corresponding adjustment to the lease liability.

### s. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

Other than stated above, all other borrowing costs are recognized in profit or loss in the period in which they are incurred.

### t. Employee benefits

#### 1) Short-term employee benefits

Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.



## 2) Retirement benefits

Payments to defined contribution retirement benefit plans are recognized as an expense when employees have rendered services entitling them to the contributions.

Defined benefit costs (including service cost, net interest and remeasurement) under the defined benefit retirement benefit plans are determined using the projected unit credit method. Service cost and net interest on the net defined benefit liability (asset) are recognized as employee benefits expense in the period they occur. Remeasurement (comprising actuarial gains and losses, effect of changes to the asset ceiling and return on plan assets excluding interest) is recognized in other comprehensive income in the period in which they occur. Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss.

Net defined benefit liabilities (assets) represent the actual deficit (surplus) in the Group's defined benefit plan. Any surplus resulting from this calculation is limited to the present value of any refunds from the plans or reductions in future contributions to the plans.

## 3) Other long-term employee benefits

Other long-term employee benefits are accounted for in the same way as the accounting required for defined benefit plan except that remeasurement is recognized in profit or loss.

## u. Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

### 1) Current tax

Income tax payable (recoverable) is based on taxable profit (loss) for the year determined according to the applicable tax laws of each tax jurisdiction.

According to the Income Tax Act in the ROC, an additional tax on unappropriated earnings is provided for in the year the shareholders approve to retain earnings.

Adjustments of prior years' tax liabilities are added to or deducted from the current year's tax provision.

### 2) Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are recognized only to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and such temporary differences are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the assets to be recovered. A previously unrecognized deferred tax asset is also reviewed at the end of each reporting period and recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liabilities are settled or the assets are realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

### 3) Current and deferred tax for the year

Current and deferred taxes are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively.

## **5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY**

In the application of the Group's accounting policies, management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates.

The Group considers the possible impact of the recent development of the COVID-19 and its economic environment implications when making its critical accounting estimates on cash flow projections, growth rate, discount rate, profitability, etc. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised if the revisions affect only that period or in the period of the revisions and future periods if the revisions affect both current and future periods.

### **Key Sources of Estimation Uncertainty**

#### a. Impairment of property, plant and equipment, investment property and right-of-use asset

Impairment of property, plant and equipment, investment property and right-of-use asset is evaluated based on the recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. Any changes in the market prices, future cash flows or discount rate will affect the recoverable amount of the equipment and may lead to the recognition of additional impairment losses or the reversal of impairment losses.

b. Write-down of inventory

Inventories are stated at the lower of cost or net realizable value. Net realizable value of inventory is the estimated selling price made by the Group taking into consideration the market value less the estimated costs of completion and the estimated costs necessary to make the sale. In the valuation process, if market condition changes, the Group will change the estimated net realizable value of inventory accordingly, which may result in an increase or decrease in the value of inventories.

**6. CASH AND CASH EQUIVALENTS**

	<b>December 31</b>	
	<b>2021</b>	<b>2020</b>
Cash on hand	\$ 26,588	\$ 17,468
Checking accounts and demand deposits	9,463,047	5,989,430
Cash equivalents		
Time deposits with original maturities of three months or less	<u>56,984</u>	<u>376,622</u>
	<u>\$ 9,546,619</u>	<u>\$ 6,383,520</u>

The interest rate ranges of cash in bank at the end of the reporting period were as follows:

	<b>December 31</b>	
	<b>2021</b>	<b>2020</b>
Interest rate range	0%-2.03%	0%-2.40%

**7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS**

	<b>December 31</b>	
	<b>2021</b>	<b>2020</b>
<u>Financial assets mandatorily classified as at FVTPL - current</u>		
Non-derivative financial assets		
Mutual funds	\$ 47,588	\$ 60,278
Domestic quoted shares	-	6,529
Structured financial products	<u>-</u>	<u>38,718</u>
	<u>\$ 47,588</u>	<u>\$ 105,525</u>

Structured financial products which the Group bought from banks are structured time deposits with expected yield rate ranges of 0%-3% as of December 31, 2020.

## 8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

### Investment in Equity Instruments at FVTOCI

	<u>December 31</u>	
	2021	2020
<u>Current</u>		
Domestic investments		
Listed shares	\$ 119,892	\$ 102,917
Foreign investments		
Listed shares	<u>316,951</u>	<u>529,137</u>
	<u>\$ 436,843</u>	<u>\$ 632,054</u>
<u>Non-current</u>		
Domestic investments		
Unlisted shares	\$ 111,183	\$ 116,152
Foreign investments		
Unlisted shares	<u>123,543</u>	<u>180,354</u>
	<u>\$ 234,726</u>	<u>\$ 296,506</u>

These investments in equity instruments are not held for trading. Instead, they are held for medium- to long-term strategic purposes. Accordingly, the management elected to designate these investments in equity instruments as at FVTOCI as the management believes that recognizing short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Group's strategy of holding these investments for long-term purposes.

## 9. NOTES RECEIVABLE, TRADE RECEIVABLES AND OTHER RECEIVABLES

	<u>December 31</u>	
	2021	2020
<u>Notes receivable</u>		
At amortized cost		
Operating-gross carrying amount	<u>\$ 104,707</u>	<u>\$ 104,650</u>
<u>Trade receivables</u>		
At amortized cost		
Gross carrying amount	\$ 1,271,545	\$ 1,257,855
Less: Allowance for impairment loss	<u>(10,500)</u>	<u>(10,948)</u>
	<u>\$ 1,261,045</u>	<u>\$ 1,246,907</u>
<u>Other receivables</u>		
Interest receivables	\$ 2,068	\$ 1,978
Others	97,532	58,058
Less: Allowance for impairment loss	<u>(5,999)</u>	<u>(8,419)</u>
	<u>\$ 93,601</u>	<u>\$ 51,617</u>

a. Trade receivables

The average credit period for the rendering of services was 30 to 60 days. No interest was charged on trade receivables. The refund liability for trade receivables from real estate brokerage service revenue was estimated based on historical experience. Since the Group collected the receivables for providing real estate brokerage services from clients under escrow custody, the uncollectible risk is insignificant. Except for collections from real estate brokerage services rendered to individuals, for the real estate agency sales business, the Group adopted a policy of using other publicly available financial information or its own trading records to rate its major customers and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The Group's exposure and the credit conditions of its counterparties are continuously monitored.

In sales of real estate, the payments will be collected in advance. The following property delivery process will begin after it is fully paid. Thus, there will be no receivables under these type of transactions.

The Group applies the simplified approach to providing for expected credit losses prescribed by IFRS 9, which permits the use of lifetime expected loss provision for all trade receivables. The expected credit losses on trade receivables are estimated using a provision matrix approach considering the past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of economic conditions at the reporting date. As the Group's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished according to the Group's different customer base.

The Group writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery. For trade receivables that have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognized in profit or loss.

The following table details the loss allowance of trade receivables (including overdue receivables) based on the Group's provision matrix.

December 31, 2021

	<b>Up to 60 Days</b>	<b>61 to 90 Days</b>	<b>91 to 180 Days</b>	<b>181 to 360 Days</b>	<b>Over 361 Days</b>	<b>Total</b>
Expected credit loss rate (Note 1)	0%-0.5%	0%-0.5%	0%-0.9%	0%-9%	29%-100%	
Gross carrying amount	\$ 1,223,527	\$ 49,045	\$ 56,901	\$ 29,536	\$ 21,646	\$ 1,380,655
Refund liabilities (Note 2)	(55,898)	(2,621)	(3,382)	(1,726)	(4,403)	(68,030)
Loss allowance (Lifetime ECL)	<u>(140)</u>	<u>(10)</u>	<u>(89)</u>	<u>(2,264)</u>	<u>(7,997)</u>	<u>(10,500)</u>
Amortized cost	<u>\$ 1,167,489</u>	<u>\$ 46,414</u>	<u>\$ 53,430</u>	<u>\$ 25,546</u>	<u>\$ 9,246</u>	<u>\$ 1,302,125</u>

December 31, 2020

	<b>Up to 60 Days</b>	<b>61 to 90 Days</b>	<b>91 to 180 Days</b>	<b>181 to 360 Days</b>	<b>Over 361 Days</b>	<b>Total</b>
Expected credit loss rate (Note 1)	0%-0.5%	0%-0.5%	0%-0.5%	0%-0.84%	29.23%-100%	
Gross carrying amount	\$ 1,123,832	\$ 119,400	\$ 76,468	\$ 25,130	\$ 21,496	\$ 1,366,326
Refund liabilities (Note 2)	(45,360)	(8,142)	(4,546)	(2,120)	(3,821)	(63,989)
Loss allowance (Lifetime ECL)	<u>(294)</u>	<u>(49)</u>	<u>(258)</u>	<u>(448)</u>	<u>(9,899)</u>	<u>(10,948)</u>
Amortized cost	<u>\$ 1,078,178</u>	<u>\$ 111,209</u>	<u>\$ 71,664</u>	<u>\$ 22,562</u>	<u>\$ 7,776</u>	<u>\$ 1,291,389</u>

Note 1: Expected credit loss rate does not include refund liabilities which has been recognized.

Note 2: Refund liabilities is recorded under other current liabilities and other non-current liabilities.

The movements of the loss allowance of trade receivables were as follows:

	<b>2021</b>	
	<b>Trade Receivables</b>	<b>Other Receivables</b>
Balance at January 1, 2021	\$ 10,948	\$ 8,419
Less: Net remeasurement of loss allowance	(372)	(2,420)
Foreign exchange losses	<u>(76)</u>	<u>-</u>
Balance at December 31, 2021	<u>\$ 10,500</u>	<u>\$ 5,999</u>
	<b>2020</b>	
	<b>Trade Receivables</b>	<b>Other Receivables</b>
Balance at January 1, 2020	\$ 14,919	\$ 5,268
Add: Amounts recovered	-	3,151
Less: Net remeasurement of loss allowance	(4,111)	-
Foreign exchange losses	<u>140</u>	<u>-</u>
Balance at December 31, 2020	<u>\$ 10,948</u>	<u>\$ 8,419</u>

b. Other receivables

Other receivables were the payments made on behalf of others, rental receivables and financing provided to vendors.

## 10. INVENTORIES

	<u>December 31</u>	
	<u>2021</u>	<u>2020</u>
Properties under development		
Banqiao District, New Taipei City	\$ 3,534,406	\$ 3,001,699
Binhu District, Wuxi	-	7,916,791
Properties to be developed		
Banqiao District, New Taipei City (for transferable development rights)	490	490
Land prepayment		
Xinzhuang Dist, New Taipei City	315,992	-
Others		
Shilin District, Taipei City	-	2,113
Inventory-merchandise		
Binhu District, Wuxi	5,422,936	-
Jiading District, Shanghai	<u>229,366</u>	<u>488,489</u>
	<u>\$ 9,503,190</u>	<u>\$ 11,409,582</u>

The cost of goods sold transferred from inventories was \$3,654,843 thousand and \$624,475 thousand for the years ended December 31, 2021 and 2020, respectively. The cost of goods sold included inventory write-downs of unsold parking space, which amounted to \$16,869 thousand and \$57,263 thousand for the years ended December 31, 2021 and 2020, respectively.

A construction land was purchased by Sinyi Development Inc (the “Taiwan Sinyi Development”), and since the transfer process has not been completed, it was recognized as land prepayment as of December 31, 2021.

To ensure the smooth completion of the real estate project, Sinyi Development Inc. of the Group entered into trust contracts with banks on the real estate projects. The information of the real estate trust was as follows:

<u>Project Name</u>	<u>Trustee</u>	<u>Trust Period</u>
Sinyi Jia-Ho	Taishin International Bank Co., Ltd.	2017/5/22-2024/5/22
Sinyi Jia-Pin	Taishin International Bank Co., Ltd.	2017/9/30-2024/9/30

In accordance with the trust contract, Taiwan Sinyi Development has engaged the trustees taking fund control function, including making progress payments, the payment of taxes, and so on.

Refer to Note 36 for the carrying amount of inventories pledged as security for bank borrowings by the Group.

## 11. OTHER FINANCIAL ASSETS - CURRENT

	<u>December 31</u>	
	<b>2021</b>	<b>2020</b>
Time deposits with original maturities of more than three months	\$ 129,170	\$ 109,170
Restricted assets - current	<u>340,883</u>	<u>7,189</u>
	<u>\$ 470,053</u>	<u>\$ 116,359</u>
Current	\$ 137,853	\$ 116,359
Non-current	<u>332,200</u>	<u>-</u>
	<u>\$ 470,053</u>	<u>\$ 116,359</u>

- a. The ranges of interest rates of time deposits with original maturities of more than three months were as follows:

	<u>December 31</u>	
	<b>2021</b>	<b>2020</b>
Time deposits with original maturities of more than three months	0.1%-0.85%	0.1%-1.13%

- b. Restricted assets - current are mainly composed of operating guarantee for real-estate brokerage by the Company and the restricted bank deposits as a loan guarantee by Jiu Xin. Refer to Note 36.

The interest rates of restricted assets - current and restricted bank deposits were as follows:

	<u>December 31</u>	
	<b>2021</b>	<b>2020</b>
Restricted cash in bank	0.455%-0.81%	0.81%

## 12. SUBSIDIARIES

- a. Subsidiaries included in the consolidated financial statements

The subsidiaries included in the consolidated financial statements as of December 31, 2021 and 2020 were as follows:

Investor	Investee	Main Businesses	<u>Percentage of Ownership (%)</u>		Remark
			<u>2021</u>	<u>2020</u>	
Sinyi Realty Inc.	Sinyi International Limited (Sinyi International)	Investment holding	100	100	
	Sinyi Development Inc. (Taiwan Sinyi Development)	Development, construction, rental and sale of residential building and factories	100	100	
	Sinyi Limited	Investment holding	100	100	
	Sinyi Global Asset Management Co., Ltd. (Sinyi Global)	Real estate brokerage	100	100	
	Heng-Yi Intelligent Technology Inc. (Heng-Yi)	Information software, data processing and electronic information providing services	80	80	Note 1

(Continued)



Investor	Investee	Main Businesses	Percentage of Ownership (%)		Remark
			2021	2020	
Sinyi Realty Inc.	Jui-Inn Consultants Co., Ltd. (Jui-Inn)	Management consulting	100	100	
	Sinyi Culture Publishing Inc. (Sinyi Culture)	Publication	99	99	
	An-Sin Real Estate Management Ltd. (An-Sin)	Real estate management	51	51	
	Yowoo Technology Inc. (Yowoo Technology)	Information software, data processing and electronic information providing services	100	100	
	Sin Chiun Holding Sdn. Bhd. (Sin Chiun)	Investment holding	100	100	
	Sinyi Real Estate Consulting Limited (Sinyi Consulting)	Production of Instructions of real estate	100	100	
	Sinju Holding Sdn. Bhd. (Sinju)	Investment holding	100	100	Note 2
Sinyi Limited	Sinyi Morefun Tourism Development Ltd. (Sinyi Morefun)	Investment holding	100	100	Note 3
	Jin Mei Travel Service Co., Ltd. (Jin Mei)	Tourism	100	100	Note 4
	Ke Wei HK Realty Limited (Ke Wei HK)	Investment holding	99	99	
Inane	Inane International Limited (Inane)	Investment holding	100	100	
	Shanghai Sinyi Real Estate Inc. (Shanghai Sinyi)	Real estate brokerage	100	100	
Shanghai Sinyi	Beijing Sinyi Real Estate Ltd. (Beijing Sinyi)	Real estate brokerage	100	100	
	Shanghai Zhi Xin Allograph Ltd. (Shanghai Zhi Xin)	Real estate brokerage and management consulting	100	100	
	Max Success International Limited (Max Success)	Investment holding	100	100	
	Zhejiang Sinyi Real Estate Co., Ltd. (Zhejiang Sinyi)	Real estate brokerage and management consulting	100	100	
	Suzhou Sinyi Real Estate Inc. (Suzhou Sinyi)	Real estate brokerage and management consulting	100	100	
	Jiaxing Zhi Zheng Real Estate Marketing Planning Inc. (Jiaxing Zhi Zheng)	Real estate marketing planning and management consulting	100	100	
	Chuzhou Zhi Zheng Real Estate Marketing Planning Inc. (Chuzhou Zhi Zheng)	Real estate marketing planning and management consulting	-	-	Note 5
Shanghai Zhi Xin	Suzhou Zhi Xin Real Estate Co. Ltd. (Suzhou Zhi Xin)	Market information consultation and management consulting	100	100	
Ke Wei HK	Ke Wei Shanghai Real Estate Management Consulting Inc. (Ke Wei Shanghai)	Real estate brokerage and management consulting	100	100	
	Sinyi International	Forever Success International Limited (Forever Success)	Investment holding	100	100
Forever Success	Sinyi Realty Inc. Japan (Japan Sinyi)	Real estate brokerage and management	100	100	
	Sinyi Development Limited (Sinyi Development)	Investment holding	100	100	
	Sinyi Estate Ltd. (Sinyi Estate)	Investment holding	100	100	
	Shanghai Shang Tuo Investment Management Consulting Inc. (Shanghai Shang Tuo)	Real estate brokerage and management consulting	100	100	
	Hua Yun Renovation (Shanghai) Co., Ltd. (Hua Yun)	Professional construction, buildings, decoration construction, hardware, general merchandise, building materials wholesale	100	100	
Shanghai Shang Tuo	Shanghai Chang Yuan Co., Ltd. (Shanghai Chang Yuan)	Property management	100	100	
Hua Yun	Lunheng Business Management (Shanghai) Ltd. (Lunheng)	Management consulting	4	4	Note 6
An-Sin	An-Shin Real Estate Management Ltd. (An-Shin)	Real estate management	100	100	
Japan Sinyi	Sinyi Asset Management Co., Ltd. (Japan Management)	Real estate brokerage	100	100	
	Tokyo Sinyi Real Estate Co., Ltd. (Tokyo Sinyi)	Real estate brokerage	100	100	

(Continued)

Investor	Investee	Main Businesses	Percentage of Ownership (%)		Remark
			2021	2020	
Sinyi Development	Sinyi Real Estate (Hong Kong) Limited (Hong Kong Real Estate)	Investment holding	100	100	
	Kunshan Dingxian Trading Co., Ltd. (Kunshan Digxian Trading)	Construction materials furniture, sanitary ware and ceramic products wholesale	100	100	
Sinyi Estate	Sinyi Estate (Hong Kong) Limited (Hong Kong Sinyi Estate)	Investment holding	100	100	
Hong Kong Real Estate	Sinyi Real Estate (Shanghai) Limited (Shanghai Sinyi Estate)	Development of commercial and residential building, auxiliary facilities; and construction, rental, sale and property management	100	100	
	Jiu Xin Estate (Wuxi) Limited (Jiu Xin Estate)	Development of commercial and residential building	100	100	
Shanghai Sinyi Estate	Xin Yeh Business Administration (Shanghai) Ltd. (Xin Yeh)	Development of commercial and residential building	100	100	
	Lunheng	Management consulting	96	96	Note 6
Xin Yeh	Sinyi Real Estate (Wuxi) Limited (Sinyi Wuxi)	Development of commercial and residential building; property management, real estate brokerage, decoration construction and equipment leasing	100	100	
Yowoo Technology	Heng-Yi	Information software, data processing and electronic information providing services	20	20	Note 1
	Lian Yue Traffic Inc. (Lian Yue Traffic)	Manpower dispatch and Merchandise delivery	100	100	
Taiwan Sinyi Development	Da-Chia Construction Co., Ltd. (Da-Chia Construction)	Development, construction, rental and sale of residential building and factories	100	100	
	Sinyi Real Estate Co., Ltd. (Sinyi Real Estate)	Development, construction, rental and sale of residential building and factories	100	100	
Sin Chiun	Fidelity Property Consultant Sdn. Bhd. (Fidelity)	Investment holding	49	49	
Pegasus	Pegasus Holding Sdn. Bhd. (Pegasus)	Investment holding	100	100	
	Fidelity	Real estate brokerage, management and identification	51	51	
Sinju	Sinkang Administration Sdn. Bhd. (Sinkang)	Tourism	100	100	Note 7
Sinyi Morefun	Sinhong International Sdn. Bhd.	Investment holding	-	-	Note 5
	Sinyi Infinite Limited (Infinite)	Investment holding	100	-	Note 8
	Sinyi Elite Limited (Elite)	Investment holding	-	-	Note 5
	Sinyi Unique Limited (Unique)	Investment holding	100	-	Note 9
Infinite	Zhansin Tourism Development Sdn. Bhd. (Zhansin)		100	-	Note 10
ELITE	Zhanyi Tourism Development Sdn. Bhd. (Zhanyi)	Tourism	-	-	Note 5
UNIQUE	Zhancheng Tourism Development Sdn. Bhd. (Zhancheng)	Tourism	100	-	Note 11

(Concluded)

**Remark:**

Note 1: Heng-Yi issued ordinary shares for cash amounting to NT\$7,000 thousand in April 2020, which were fully subscribed for by the Company. After the subscription of the shares, the Company's shareholding proportion increased to 80%. The shareholding proportion of Yowoo Technology in Heng-Yi, however, is reduced to 20% because it did not purchase any of the aforementioned new shares issued.

Note 2: The Group acquired 100% ownership of Sinju in January 2020.

Note 3: The Group acquired 100% ownership of Sinyi Morefun in August 2020.

- Note 4: The Group acquired 100% ownership of Jin Mei in November 2020. Refer to Note 31.
- Note 5: The Group established the subsidiaries in 2020; as of December 31, 2021, the capital injection had not been completed.
- Note 6: Lунheng issued ordinary shares for cash in August 2020, which were fully subscribed for by Shanghai Sinyi Estate. After the subscription of the shares, the equity interest held by Shanghai Sinyi Estate increased to 96%. The equity interest held by Hua Yun, however, is reduced to 4% because it did not purchase any of the aforementioned new shares issued.
- Note 7: The Group acquired 100% ownership of Sinkang through Sinju in January 2020.
- Note 8: The Group acquired 100% ownership of Infinite through Sinyi Morefun in March 2021.
- Note 9: The Group acquired 100% ownership of Unique through Sinyi Morefun in March 2021.
- Note 10: The Group acquired 100% ownership of Zhansin through Infinite in March 2021.
- Note 11: The Group acquired 100% ownership of Zhancheng through Unique in March 2021.

b. Subsidiaries excluded from the consolidated financial statements: None.

### 13. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	<b>December 31</b>	
	<b>2021</b>	<b>2020</b>
Investments in associates	<u>\$ 51,622</u>	<u>\$ 38,057</u>
<b>Investments in Associates</b>		
	<b>December 31</b>	
	<b>2021</b>	<b>2020</b>
Unlisted companies		
Sinyi Interior Design Co., Ltd.	\$ 18,481	\$ 15,641
Rakuya International Info. Co., Ltd.	<u>33,141</u>	<u>22,416</u>
	<u>\$ 51,622</u>	<u>\$ 38,057</u>

As of the end of the reporting period, the proportion of ownership and voting rights in associates held by the Group was as follows:

<b>Name of Associate</b>	<b>December 31</b>	
	<b>2021</b>	<b>2020</b>
Sinyi Interior Design Co., Ltd.	19%	19%
Rakuya International Info. Co., Ltd.	23%	23%

The summarized financial information in respect of the Group's associates is set out below:

	<b>For the Year Ended December 31</b>	
	<b>2021</b>	<b>2020</b>
The Group's shares		
Net income for continuing operations	\$ 11,277	\$ 6,790
Other comprehensive income (loss)	<u>2,740</u>	<u>(558)</u>
Total comprehensive income for the year	<u>\$ 14,017</u>	<u>\$ 6,232</u>

Even with less than 20% of the voting rights of Sinyi Interior Design Co., Ltd., the Group is able to exercise significant influence over it; therefore, the investment is accounted for using the equity method.

The investments accounted for using the equity method and the share of profit or loss and other comprehensive income of the investments for the years ended December 31, 2021 and 2020 were based on unaudited financial statements. The Group's management believes the unaudited financial statements of investees do not have a material impact on the equity method of accounting or the calculation of the share of profit or loss and other comprehensive income.

#### 14. PROPERTY, PLANT AND EQUIPMENT

	Freehold Land	Buildings	Transportation Equipment	Office Equipment	Leased Assets	Other Equipment	Construction in Progress and Prepayments for Equipment	Total
<b>Cost</b>								
Balance at January 1, 2021	\$ 2,833,746	\$ 598,088	\$ 10,597	\$ 440,708	\$ 629,528	\$ 101,109	\$ 1,028	\$ 4,614,804
Additions	-	-	1,050	39,729	56,770	7,691	6,486	111,726
Disposals	-	-	-	(33,748)	(17,057)	-	(1,905)	(52,710)
Reclassifications	-	-	-	-	-	1,029	(1,029)	-
Effect of foreign currency exchange differences	<u>-</u>	<u>(1,189)</u>	<u>(173)</u>	<u>(1,953)</u>	<u>(2,550)</u>	<u>(24)</u>	<u>-</u>	<u>(5,889)</u>
Balance at December 31, 2021	<u>\$ 2,833,746</u>	<u>\$ 596,899</u>	<u>\$ 11,474</u>	<u>\$ 444,736</u>	<u>\$ 666,691</u>	<u>\$ 109,805</u>	<u>\$ 4,580</u>	<u>\$ 4,667,931</u>
<b>Accumulated depreciation</b>								
Balance at January 1, 2021	\$ -	\$ 175,824	\$ 6,470	\$ 347,545	\$ 494,956	\$ 84,490	\$ -	\$ 1,109,285
Depreciation expense	-	16,972	859	33,339	47,899	5,662	-	104,731
Disposals	-	-	-	(32,406)	(15,513)	-	-	(47,919)
Effect of foreign currency exchange differences	<u>-</u>	<u>(127)</u>	<u>(43)</u>	<u>(1,355)</u>	<u>(1,318)</u>	<u>(4)</u>	<u>-</u>	<u>(2,847)</u>
Balance at December 31, 2021	<u>\$ -</u>	<u>\$ 192,669</u>	<u>\$ 7,286</u>	<u>\$ 347,123</u>	<u>\$ 526,024</u>	<u>\$ 90,148</u>	<u>\$ -</u>	<u>\$ 1,163,250</u>
Net carrying amount at December 31, 2021	<u>\$ 2,833,746</u>	<u>\$ 404,230</u>	<u>\$ 4,188</u>	<u>\$ 97,613</u>	<u>\$ 140,667</u>	<u>\$ 19,657</u>	<u>\$ 4,580</u>	<u>\$ 3,504,681</u>
<b>Cost</b>								
Balance at January 1, 2020	\$ 2,833,746	\$ 595,494	\$ 10,972	\$ 414,674	\$ 589,581	\$ 88,651	\$ 6,751	\$ 4,539,869
Additions	-	-	1,407	43,550	59,430	5,887	18,270	128,544
Disposals	-	-	(1,900)	(18,492)	(20,928)	-	-	(41,320)
To investment properties	-	-	-	-	-	-	(16,716)	(16,716)
To intangible asset	-	-	-	-	-	-	(540)	(540)
Acquisitions through business combinations	-	-	-	317	-	-	-	317
Reclassification	-	-	-	-	166	6,571	(6,737)	-
Effect of foreign currency exchange differences	<u>-</u>	<u>2,594</u>	<u>118</u>	<u>659</u>	<u>1,279</u>	<u>-</u>	<u>-</u>	<u>4,650</u>
Balance at December 31, 2020	<u>\$ 2,833,746</u>	<u>\$ 598,088</u>	<u>\$ 10,597</u>	<u>\$ 440,708</u>	<u>\$ 629,528</u>	<u>\$ 101,109</u>	<u>\$ 1,028</u>	<u>\$ 4,614,804</u>
<b>Accumulated depreciation</b>								
Balance at January 1, 2020	\$ -	\$ 158,613	\$ 6,229	\$ 332,111	\$ 466,811	\$ 80,470	\$ -	\$ 1,044,234
Depreciation expense	-	16,894	797	32,306	47,057	4,020	-	101,074
Disposals	-	-	(633)	(17,811)	(20,097)	-	-	(38,541)
Acquisitions through business combinations	-	-	-	317	-	-	-	317
Effect of foreign currency exchange differences	<u>-</u>	<u>317</u>	<u>77</u>	<u>622</u>	<u>1,185</u>	<u>-</u>	<u>-</u>	<u>2,201</u>
Balance at December 31, 2020	<u>\$ -</u>	<u>\$ 175,824</u>	<u>\$ 6,470</u>	<u>\$ 347,545</u>	<u>\$ 494,956</u>	<u>\$ 84,490</u>	<u>\$ -</u>	<u>\$ 1,109,285</u>
Net carrying amount at December 31, 2020	<u>\$ 2,833,746</u>	<u>\$ 422,264</u>	<u>\$ 4,127</u>	<u>\$ 93,163</u>	<u>\$ 134,572</u>	<u>\$ 16,619</u>	<u>\$ 1,028</u>	<u>\$ 3,505,519</u>

The above items of property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives as follows:

Buildings - main buildings	21-60 years
Transportation equipment	4-6 years
Office equipment	3-6 years
Leased assets	3 years
Leasehold improvements	2-5 years
Other equipment	3-15 years

- a. There was no interest capitalized during the years ended December 31, 2021 and 2020.
- b. Refer to Note 36 for the details of property, plant and equipment pledged as collateral.

## 15. LEASE ARRANGEMENTS

- a. Right-of-use assets

	<u>December 31</u>	
	2021	2020
<u>Carrying amounts</u>		
Land	\$ 1,459,519	\$ 1,583,111
Buildings	3,349,870	3,420,460
Other equipment	<u>13,311</u>	<u>17,447</u>
	<u>\$ 4,822,700</u>	<u>\$ 5,021,018</u>
	<b><u>For the Year Ended December 31</u></b>	
	<b>2021</b>	<b>2020</b>
Additions to right-of-use assets	<u>\$ 542,879</u>	<u>\$ 1,288,563</u>
Depreciation charge for right-of-use assets		
Land	\$ 19,894	\$ 15,667
Buildings	548,437	540,761
Other equipment	<u>9,905</u>	<u>8,503</u>
	<u>\$ 578,236</u>	<u>\$ 564,931</u>

- b. Lease liabilities

	<u>December 31</u>	
	2021	2020
<u>Carrying amounts</u>		
Current	<u>\$ 549,615</u>	<u>\$ 544,776</u>
Non-current	<u>\$ 2,899,375</u>	<u>\$ 2,947,766</u>

Range of discount rate for lease liabilities was as follows:

	<b>December 31</b>	
	<b>2021</b>	<b>2020</b>
Buildings	0.94%-5.7%	0.99%-5.7%
Other equipment	0.94%-1.29%	0.99%-1.29%

c. Material leasing activities and terms

The Group signed an agreement to acquire right-of-use land at Pulau Mengalum, Sabah, Malaysia in 2019 and completed the legal procedures of possession right transfer in December 2019 and in August 2020. The land use rights are valid until December 31, 2096.

The Group leases buildings for the use of office spaces and stores with lease terms of 1 to 20 years. The Group does not have bargain purchase options to acquire the buildings at the end of the lease terms. In addition, the Group is prohibited from subleasing or transferring all or any portion of the underlying assets without the lessor's consent.

Due to the market conditions severely affected by COVID-19 in 2021 and 2020, the Group had negotiated with some lessors, and had agreed to provide unconditional rent reduction. The effects of rent reduction were \$3,886 thousand and \$8,898 thousand (recognized as other gains and losses) for the year ended December 31, 2021 and 2020.

d. Other lease information

Lease arrangements under operating leases for the leasing out of freehold investment properties are set out in Note 16.

	<b>For the Year Ended December 31</b>	
	<b>2021</b>	<b>2020</b>
Expenses relating to short-term and low-value asset leases	<u>\$ 39,477</u>	<u>\$ 38,714</u>
Total cash outflow for leases	<u>\$ 618,222</u>	<u>\$ 608,034</u>

The Group's leases of certain assets qualify as short-term leases and low-value asset leases. The Group has elected to apply the recognition exemption and thus, did not recognize right-of-use assets and lease liabilities for these leases.

## 16. INVESTMENT PROPERTIES

	<b>Land</b>	<b>Buildings</b>	<b>Total</b>
<u>Cost</u>			
Balance at January 1, 2021	\$ 1,906,418	\$ 458,191	\$ 2,364,609
Disposals	31,428	772	32,200
Transferred from property, plant and equipment	(69,395)	(2,472)	(71,867)
Effects of foreign currency exchange differences	<u>-</u>	<u>(1,039)</u>	<u>(1,039)</u>
Balance at December 31, 2021	<u>\$ 1,868,451</u>	<u>\$ 455,452</u>	<u>\$ 2,323,903</u>

(Continued)

	<b>Land</b>	<b>Buildings</b>	<b>Total</b>
<u>Accumulated depreciation and impairment</u>			
Balance at January 1, 2021	\$ 16,074	\$ 127,824	\$ 143,898
Depreciation expense	-	13,858	13,858
Impairment loss	6,286	154	6,440
Disposals	(13,880)	(549)	(14,429)
Effects of foreign currency exchange differences	<u>-</u>	<u>(98)</u>	<u>(98)</u>
Balance at December 31, 2021	<u>\$ 8,480</u>	<u>\$ 141,189</u>	<u>\$ 149,669</u>
Net carrying amount at December 31, 2021	<u>\$ 1,859,971</u>	<u>\$ 314,263</u>	<u>\$ 2,174,234</u>

Cost

Balance at January 1, 2020	\$ 1,926,993	\$ 458,641	\$ 2,385,634
Disposals	(36,392)	(3,616)	(40,008)
Transferred from property, plant and equipment	15,817	899	16,716
Effects of foreign currency exchange differences	<u>-</u>	<u>2,267</u>	<u>2,267</u>
Balance at December 31, 2020	<u>\$ 1,906,418</u>	<u>\$ 458,191</u>	<u>\$ 2,364,609</u>

Accumulated depreciation and impairment

Balance at January 1, 2020	\$ 16,712	\$ 113,911	\$ 130,623
Depreciation expense	-	13,625	13,625
Impairment loss	3,163	180	3,343
Disposals	(3,801)	(280)	(4,081)
Effects of foreign currency exchange differences	<u>-</u>	<u>388</u>	<u>388</u>
Balance at December 31, 2020	<u>\$ 16,074</u>	<u>\$ 127,824</u>	<u>\$ 143,898</u>
Net carrying amount at December 31, 2020	<u>\$ 1,890,344</u>	<u>\$ 330,367</u>	<u>\$ 2,220,711</u> (Concluded)

The lessees do not have bargain purchase options to acquire the investment properties at the expiry of the lease periods.

The maturity analysis of lease payment receivables under operating leases of investment properties as of December 31, 2021 and 2020 was as follows:

	<u>December 31</u>	
	<u>2021</u>	<u>2020</u>
Year 1	\$ 107,839	\$ 107,095
Year 2	106,096	105,220
Year 3	97,899	103,475
Year 4	47,254	97,157
Year 5	279	46,609
Year 6 onwards	<u>5</u>	<u>31</u>
	<u>\$ 359,372</u>	<u>\$ 459,587</u>

The investment properties are depreciated on a straight-line basis over their estimated useful lives as follows:

Buildings - main buildings 30-60 years

The total fair value of the Group's investment properties as of December 31, 2021 and 2020 was \$4,233,665 thousand and \$4,264,432 thousand, respectively. Besides, the total fair value of the Group's freehold land and buildings as of December 31, 2021 and 2020 was \$5,430,099 thousand and \$5,282,712 thousand, respectively. The fair value was determined by the management of the Group using the valuation model that market participants would generally use in determining fair value, and the fair value was measured by using Level 3 inputs. The valuation model was based on the sales comparison approach and direct capitalization method, where fair value indicators of the different valuation techniques are weighed and adjustments are made by reference to the available market information on the measurement date. The Group assessed that for part of the investment properties, the recoverable amount is less than the carrying amount; and recognized an impairment loss of \$6,440 thousand and \$3,343 thousand, classified as other gains and losses in 2021 and 2020, respectively.

All of the Group's investment properties were held under freehold interests. The carrying amount of the investment properties that had been pledged by the Group to secure borrowings is disclosed in Note 36.

## 17. INTANGIBLE ASSETS

	December 31				
	2021	2020			
Franchises	\$ -	\$ 40,851			
Goodwill	-	2,870			
System software costs	58,894	48,746			
Patent rights	<u>1,042</u>	<u>2,292</u>			
	<u>\$ 59,936</u>	<u>\$ 94,759</u>			
	<b>Franchises</b>	<b>Goodwill</b>	<b>System Software Costs</b>	<b>Patent Rights</b>	<b>Total</b>
<u>Cost</u>					
Balance at January 1, 2021	\$ 87,022	\$ 28,456	\$ 303,770	\$ 5,000	\$ 424,248
Additions	-	-	39,029	-	39,029
Disposals	-	-	(1,044)	-	(1,044)
Effect of foreign currency exchange differences	<u>(2,444)</u>	<u>-</u>	<u>(656)</u>	<u>-</u>	<u>(3,100)</u>
Balance at December 31, 2021	<u>\$ 84,578</u>	<u>\$ 28,456</u>	<u>\$ 341,099</u>	<u>\$ 5,000</u>	<u>\$ 459,133</u>
<u>Accumulated amortization</u>					
Balance at January 1, 2021	\$ 46,171	\$ 25,586	\$ 255,024	\$ 2,708	\$ 329,489
Amortization expense	2,139	-	28,746	1,250	32,135
Disposals	-	-	(1,044)	-	(1,044)
Impairment loss	38,036	2,870	-	-	40,906
Effect of foreign currency exchange differences	<u>(1,768)</u>	<u>-</u>	<u>(521)</u>	<u>-</u>	<u>(2,289)</u>
Balance at December 31, 2021	<u>\$ 84,578</u>	<u>\$ 28,456</u>	<u>\$ 282,205</u>	<u>\$ 3,958</u>	<u>\$ 399,197</u>
Net carrying amount at December 31, 2021	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 58,894</u>	<u>\$ 1,042</u>	<u>\$ 59,936</u>

(Continued)



	<b>Franchises</b>	<b>Goodwill</b>	<b>System Software Costs</b>	<b>Patent Rights</b>	<b>Total</b>
<u>Cost</u>					
Balance at January 1, 2020	\$ 91,606	\$ 25,586	\$ 273,382	\$ 5,000	\$ 395,574
Additions	-	-	31,041	-	31,041
Disposals	-	-	(1,524)	-	(1,524)
Acquisition through business combinations (Note 31)	-	2,870	-	-	2,870
From property, plant, and equipment	-	-	540	-	540
Effect of foreign currency exchange differences	<u>(4,584)</u>	<u>-</u>	<u>331</u>	<u>-</u>	<u>(4,253)</u>
Balance at December 31, 2020	<u>\$ 87,022</u>	<u>\$ 28,456</u>	<u>\$ 303,770</u>	<u>\$ 5,000</u>	<u>\$ 424,248</u>
<u>Accumulated amortization</u>					
Balance at January 1, 2020	\$ 46,313	\$ 20,134	\$ 230,388	\$ 1,458	\$ 298,293
Amortization expense	2,257	-	25,840	1,250	29,347
Disposals	-	-	(1,524)	-	(1,524)
Impairment loss	-	5,452	-	-	5,452
Effect of foreign currency exchange differences	<u>(2,399)</u>	<u>-</u>	<u>320</u>	<u>-</u>	<u>(2,079)</u>
Balance at December 31, 2020	<u>\$ 46,171</u>	<u>\$ 25,586</u>	<u>\$ 255,024</u>	<u>\$ 2,708</u>	<u>\$ 329,489</u>
Net carrying amount at December 31, 2020	<u>\$ 40,851</u>	<u>\$ 2,870</u>	<u>\$ 48,746</u>	<u>\$ 2,292</u>	<u>\$ 94,759</u>

(Concluded)

- a. The above intangible assets with finite useful lives are amortized on a straight-line basis over their estimated useful lives as follows:

Franchises	40 years
System software costs	2-5 years
Patent rights	4 years

- b. The goodwill \$2,870 thousand, generated from the acquisition of Jin Mei in November 2020, was mainly due to the expected increase in revenue through its tourism for the upcoming business in Malaysia. Since the actual operating income for tourism did not grow as expected, the Group assessed that the future recoverable amount is less than its carrying amount, thus an impairment loss was recognized in 2021 and classified as other gains and losses.
- c. Sinyi Limited entered into a sub-franchise agreement in October 12, 1999, with a amortization during its agreement terms. The Group assessed that the future recoverable amount is less than its carrying amount, thus an impairment loss was recognized in 2021 and classified as other gains and losses.

## 18. OTHER ASSETS

	<u>December 31</u>	
	<u>2021</u>	<u>2020</u>
Tax prepayment	\$ 138,000	\$ 47,759
Prepaid expenses	44,819	56,491
Overpaid VAT	42,398	127,136
Temporary payments	13,216	14,705
Overdue receivables	4,403	3,821
Others	<u>1,891</u>	<u>1,890</u>
	<u>\$ 244,727</u>	<u>\$ 251,802</u>
Current	\$ 238,433	\$ 246,092
Non-current	<u>6,294</u>	<u>5,710</u>
	<u>\$ 244,727</u>	<u>\$ 251,802</u>

Tax prepayment is land value increment tax imposed by China local tax bureau for presold real estate and overpaid sales tax in Mainland China.

## 19. BORROWINGS

### a. Long-term borrowings

	<u>December 31</u>	
	<u>2021</u>	<u>2020</u>
<u>Secured borrowings</u>		
Bank loans	\$ 1,858,175	\$ 2,821,288
<u>Unsecured borrowings</u>		
Line of credit borrowings	460,000	980,000
Long-term commercial papers	300,000	-
Less: Discount on long-term commercial paper	<u>(186)</u>	<u>-</u>
	2,617,989	3,801,288
Less: Current portion	<u>(29,668)</u>	<u>(27,210)</u>
Long-term borrowings	<u>\$ 2,588,321</u>	<u>\$ 3,774,078</u>

In order to increase working capital, the Group applies for revolving loans from banks and issues financial commercial papers.

The long-term commercial papers not yet due are as follows:

December 31, 2021

Acceptance Agency	Face Value	Discount Amount	Book Value	Interest Rate Range	Collateral
International Bills Finance Corporation	\$ 150,000	\$ (93)	\$ 149,907	0.928%	-
China Bills Finance Corporation	<u>150,000</u>	<u>(93)</u>	<u>149,907</u>	0.938%	-
	<u>\$ 300,000</u>	<u>\$ (186)</u>	<u>\$ 299,814</u>		

The long-term borrowings of the Group were as follows:

Details of Borrowings		December 31	
		2021	2020
E.SUN Bank	Credit facility: \$2,420,000 thousand. Period: August 2, 2019 to August 2, 2022. Revolving credit line and interest is paid monthly. Principal is repaid at maturity. The Group repaid all the debts in April 2021.	\$ -	\$ 500,000
E.SUN Bank	Credit facility: \$2,420,000 thousand. Period: April 27, 2021 to April 27, 2024. Revolving credit line and interest is paid monthly. Principal is repaid at maturity.	100,000	-
Bank of East Asia	Credit facility: \$1,600,000 thousand. Period: September 1, 2020 to September 30, 2023. Revolving credit line and interest is paid monthly.	300,000	300,000
Yuanta Bank	Credit facility: \$600,000 thousand. Period: March 18, 2020 to March 17, 2022. Revolving credit line and interest is paid monthly. Principal is repaid at maturity. The Group repaid all the debts in March 2021.	-	150,000
Mizuho Bank	Credit facility: \$600,000 thousand. Period: February 27, 2020 to February 27, 2022. Revolving credit line and interest is paid monthly. Principal is repaid at maturity. The Group repaid all the debts in May 2021.	-	100,000
Far Eastern Bank	Credit facility: \$800,000 thousand. Period: June 10, 2020 to June 10, 2022. Revolving credit line and interest is paid monthly. Principal is repaid at maturity. The Group repaid all the debts in May 2021.	-	300,000
Taishin Bank	Credit facility: \$1,900,000 thousand. Period: September 8, 2017 to September 8, 2024. Interest is paid monthly and principal is repaid at maturity.	410,000	410,000
Taishin Bank	Credit facility: \$748,000 thousand. Period: March 29, 2019 to March 29, 2024. Interest is paid monthly and principal is repaid at maturity.	748,000	748,000

(Continued)

Details of Borrowings		December 31	
		2021	2020
Taishin Bank	Credit facility: \$300,000 thousand. Period: December 25, 2019 to December 25, 2022. Revolving credit line and interest is paid monthly. The Group repaid all the debts in February 2021.	\$ -	\$ 120,000
Taishin Bank	Credit facility: \$625,000 thousand. Period: March 29, 2019 to March 29, 2024. Interest is paid monthly and principal is repaid at maturity	10,000	10,000
DBS Bank	Credit facility: \$200,000 thousand and US\$40,000 thousand. Period: January 11, 2021 to January 11, 2023. Revolving credit line and interest is paid monthly.	300,000	-
TC Bank	Credit facility: \$300,000 thousand. Period: August 31, 2020 to August 24, 2022. Revolving credit line and interest is paid monthly. The Group repaid all the debts in March 2021.	-	50,000
Mega Bank	Credit facility: \$500,000 thousand. Period: December 29, 2020 to December 29, 2023. Revolving credit line and interest is paid monthly. The Group repaid all the debts in May 2021.	-	100,000
Shanghai Pudon Development Bank	Credit facility: RMB600,000 thousand. Period: December 26, 2018 to December 25, 2023. Interest is paid quarterly and principal is repaid semi-annually per agreement. The Group repaid portions of debts in advance.	300,175	813,288
Hua Nan Bank	Credit facility: \$500,000 thousand. Period: January 30, 2020 to January 30, 2023. Revolving credit line and interest is paid monthly. The Group repaid all the debts in June 2021.	-	200,000
Hua Nan Bank	Credit facility: \$500,000 thousand. Period: May 21, 2021 to May 21, 2024. Revolving credit line and interest is paid monthly. Principal is repaid at maturity	150,000	-
Total long-term borrowings		<u>\$ 2,318,175</u>	<u>\$ 3,801,288</u> (Concluded)

Refer to Note 36 for the details of assets pledged as collateral for long-term borrowings.

As of December 31, 2021 and 2020, the effective interest rates of the Group's long-term credit borrowings were 0.88%-1.73% and 0.86%-1.73%, respectively, and those of the Group's long-term secured borrowings were 0.90%-5.70% and 0.93%-5.70%, respectively.

## 20. BONDS PAYABLE

	<u>December 31</u>	
	2021	2020
Domestic unsecured bonds	\$ 4,600,000	\$ 5,300,000
Less: Current portion	<u>-</u>	<u>(700,000)</u>
Bonds payable	<u>\$ 4,600,000</u>	<u>\$ 4,600,000</u>

The major terms of domestic unsecured bonds were as follows:

Issuance Period	Total Amount (In Thousands)	Coupon Rate	Repayment and Interest Payment
May 2018 to May 2021	\$ 700,000	0.92%	Principal is repaid at maturity. Interest is paid annually.
May 2018 to May 2023	1,900,000	1.07%	Principal is repaid at maturity. Interest is paid annually.
July 2018 to July 2023	1,800,000	1.05%	Principal is repaid at maturity. Interest is paid annually.
November 2019 to November 2029	900,000	1.25%	Principal is repaid at maturity. Interest is paid annually.

## 21. CONTRACT LIABILITIES & UNEARNED REVENUE

	<u>December 31</u>	
	2021	2020
Advance receipts from real estate transactions	<u>\$ 1,723,403</u>	<u>\$ 1,479,529</u>

Advance receipts from real estate transactions are the amounts collected by Shanghai Real Estate, Jiu Xin Estate and Taiwan Sinyi Development from customers for pre-sales real estate. In real estate development, after the subsidiary's sales contracts has entered with the customers, sales revenue from the units that have been delivered on the date of delivery of the real estate is recognized and the related inventory costs are transferred to cost of sales. Deposits and installment payments received prior to qualifying for sales revenue recognition are included in the consolidated balance sheets under contract liabilities.

## 22. TRADE PAYABLES

	<u>December 31</u>	
	2021	2020
Construction payables	<u>\$ 811,840</u>	<u>\$ 274,861</u>

## 23. OTHER LIABILITIES

	<u>December 31</u>	
	<u>2021</u>	<u>2020</u>
<u>Current</u>		
Other payables	\$ 3,774,976	\$ 3,122,574
Other liabilities	<u>377,476</u>	<u>258,577</u>
	<u>\$ 4,152,452</u>	<u>\$ 3,381,151</u>
<u>Non-current</u>		
Other liabilities	<u>\$ 1,304,907</u>	<u>\$ 920,293</u>

a. Other payables were as follows:

	<u>December 31</u>	
	<u>2021</u>	<u>2020</u>
<u>Other payables - accrued expenses</u>		
Payables for performance bonus and salaries	\$ 2,650,223	\$ 2,081,110
Payables for annual leave	179,461	149,136
Payable for labor and health insurance	126,296	115,405
Advertisement payable	103,530	91,550
Payable for employees bonuses and compensation to directors	36,289	35,580
Interest payables	24,459	28,119
Payable for professional fees	22,840	8,651
Others	<u>214,392</u>	<u>199,079</u>
	<u>\$ 3,357,490</u>	<u>\$ 2,708,630</u>
<u>Other payables - others</u>		
Receipts under custody from real estate transactions	\$ 319,456	\$ 316,873
Other receipts under custody	75,367	64,104
Receipts under custody - escrow service	<u>-</u>	<u>1</u>
	<u>\$ 394,823</u>	<u>\$ 380,978</u>
<u>Other payables to related parties</u>		
Financing from related parties		
Loans from related parties	\$ 14,770	\$ 23,636
Interest payable	6,011	7,772
Others	<u>1,882</u>	<u>1,558</u>
	<u>\$ 22,663</u>	<u>\$ 32,966</u>

1) Employees and senior management who meet the performance standards under the bonus rules are eligible for performance bonuses. Performance bonuses to be paid one year later are recorded as other non-current liabilities.

- 2) Loans from related parties were accounted for other payables to related parties with nil interest rates for the years ended December 31, 2021 and 2020.
- 3) Receipts under custody from real estate transactions were the money received by real estate brokers - Shanghai Sinyi, Zhejiang Sinyi, Suzhou Sinyi, Japan Sinyi, Japan Management and Fidelity from buyers that had concluded transactions, but not yet transferred to the sellers/lessors.
- 4) Receipts under custody from escrow service were the money received by An-Sin and An-Shin from buyers of real estate transactions but not yet transferred to the sellers. Composition was as follows:

	<u>December 31</u>	
	<u>2021</u>	<u>2020</u>
Receipts under custody - escrow service	\$ 19,354,488	\$ 14,611,007
Interest payables	2,152	2,162
Deposit accounts	<u>\$ (19,356,640)</u>	<u>\$ (14,613,168)</u>
	<u>\$ -</u>	<u>\$ 1</u>

- a) Receipts under custody - performance guarantee were receipts under custody from sellers of real estate transactions with interest rate of 0.01%-0.04% for the years ended December 31, 2021 and 2020.
  - b) Deposit accounts were receipts which had been paid by buyers of real estate transactions but not delivered to the sellers yet. The Group deposited these receipts in bank accounts according to the escrow contracts.
- b. Other liabilities were as follows:

	<u>December 31</u>	
	<u>2021</u>	<u>2020</u>
<u>Current</u>		
VAT payable and other tax payable	\$ 287,780	\$ 170,455
Refund liabilities	63,627	60,168
Others	<u>26,069</u>	<u>27,954</u>
	<u>\$ 377,476</u>	<u>\$ 258,577</u>
<u>Non-current</u>		
Long-term bonus payable	\$1,300,504	\$ 916,472
Refund liabilities	<u>4,403</u>	<u>3,821</u>
	<u>\$1,304,907</u>	<u>\$ 920,293</u>

The VAT payable and other tax payable were the VAT of the Group and the accrued tax payable for the presale real estate of Jiu Xin Estate.

## 24. PROVISIONS

	<u>December 31</u>	
	<u>2021</u>	<u>2020</u>
Operating loss provisions	\$ <u>14,015</u>	\$ <u>8,444</u>
	<b><u>For the Year Ended December 31</u></b>	
	<b><u>2021</u></b>	<b><u>2020</u></b>
Balance at January 1, 2021	\$ 8,444	\$ 9,374
Additional provisions recognized	5,571	4,687
Usage	<u>-</u>	<u>(5,617)</u>
Balance at December 31, 2021	\$ <u>14,015</u>	\$ <u>8,444</u>

The provision for operating losses was recognized as possible operating defects in performing the escrow and brokerage business. The provisions were estimated on the basis of evaluation of the escrow service and brokerage service provided, historical experience and pertinent factors

## 25. RETIREMENT BENEFIT PLANS

### a. Defined contribution plans

The pension plan under the Labor Pension Act (LPA) is a defined contribution plan. Based on the LPA, the Company, An-Sin, An-Shin, Sinyi Global, Taiwan Sinyi Development, Heng-Yi, Yowoo Technology, Tokyo Sinyi, Sinyi Consulting, Lian Yue Traffic and Jin Mei make monthly contributions to employees' individual pension accounts at 6% of monthly salaries and wages.

The employees of the Group's subsidiaries in other countries are members of a state-managed retirement benefit plan operated by local government. The subsidiary is required to contribute amounts calculated at a specified percentage of payroll costs to the retirement benefit scheme to fund the benefits. The only obligation of the Group with respect to the retirement benefit plan is to make the specified contributions to the fund.

Sinyi Limited, Sinyi International, Forever Success, Inane, Ke Wei HK, Max Success, Sinyi Development, Sinyi Estate, SIN CHIUN, Hong Kong Real Estate, Hong Kong Sinyi Estate, Sinyi Culture, Da-Chia Construction, Sinyi Real Estate, Jui-Inn, SINJU, SINKANG, and SINYI MOREFUN have no full-time employees. Thus, there are no related pension obligations or pension costs.

### b. Defined benefit plans

The defined benefit plans adopted by the Company, An-Sin, Sinyi Global, and Sinyi Consulting in accordance with the Labor Standards Act are operated by the government. Pension benefits are calculated on the basis of the length of service and average monthly salaries of the six months before retirement. The Company, An-Sin, Sinyi Global and Sinyi Consulting contribute amounts equal to 2% of total monthly salaries and wages to a pension fund administered by the pension fund monitoring committee. Pension contributions are deposited in the Bank of Taiwan in the committee's name. Before the end of each year, the Group assesses the balance in the pension fund. If the amount of the balance in the pension fund is inadequate to pay retirement benefits for employees who conform to retirement requirements in the next year, the Group is required to fund the difference in one appropriation that should be made before the end of March of the next year. The pension fund is managed by the Bureau of Labor Funds, Ministry of Labor (the "Bureau"); the Group has no right to influence the investment policy and strategy.



The amounts included in the consolidated balance sheets in respect of the Group's defined benefit plans were as follows:

	<b>December 31</b>	
	<b>2021</b>	<b>2020</b>
Present value of defined benefit obligation	\$ 779,659	\$ 766,368
Fair value of plan assets	<u>(603,862)</u>	<u>(596,988)</u>
Deficit	<u>175,797</u>	<u>169,380</u>
Net defined benefit liabilities	<u>\$ 175,797</u>	<u>\$ 169,380</u>

Movements in net defined benefit liabilities were as follows:

	<b>Present Value of the Defined Benefit Obligation</b>	<b>Fair Value of the Plan Assets</b>	<b>Net Defined Benefit (Assets) Liabilities</b>
Balance at January 1, 2020	\$ <u>736,259</u>	\$ <u>(578,853)</u>	\$ <u>157,406</u>
Service cost			
Current service cost	1,516	-	1,516
Past service cost	3,460	-	3,460
Net interest expense (income)	<u>5,523</u>	<u>(4,380)</u>	<u>1,143</u>
Recognized in profit or loss	<u>10,499</u>	<u>(4,380)</u>	<u>6,119</u>
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(19,188)	(19,188)
Actuarial loss - changes in demographic assumptions	9,277	-	9,277
Actuarial loss - changes in financial assumptions	22,088	-	22,088
Actuarial loss - experience adjustments	<u>8,097</u>	<u>-</u>	<u>8,097</u>
Recognized in other comprehensive income	<u>39,462</u>	<u>(19,188)</u>	<u>20,274</u>
Contributions from the employer	<u>-</u>	<u>(14,419)</u>	<u>(14,419)</u>
Benefits paid	<u>(19,852)</u>	<u>19,852</u>	<u>-</u>
Balance at December 31, 2020	<u>766,368</u>	<u>(596,988)</u>	<u>169,380</u>
Service cost			
Current service cost	2,650	-	2,650
Net interest expense (income)	<u>3,832</u>	<u>(3,012)</u>	<u>820</u>
Recognized in profit or loss	<u>6,482</u>	<u>(3,012)</u>	<u>3,470</u>
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(7,622)	(7,622)
Actuarial loss - changes in demographic assumptions	25,592	-	25,592
Actuarial loss - changes in financial assumptions	-	-	-
Actuarial loss - experience adjustments	<u>863</u>	<u>-</u>	<u>863</u>
Recognized in other comprehensive income	<u>26,455</u>	<u>(7,622)</u>	<u>18,833</u>
Contributions from the employer	<u>-</u>	<u>(15,886)</u>	<u>(15,886)</u>
Benefits paid	<u>(19,646)</u>	<u>19,646</u>	<u>-</u>
Balance at December 31, 2021	<u>\$ 779,659</u>	<u>\$ (603,862)</u>	<u>\$ 175,797</u>

An analysis by function of the amounts recognized in profit or loss in respect of the defined benefit plans is as follows:

	<b>For the Year Ended December 31</b>	
	<b>2021</b>	<b>2020</b>
Operating costs	\$ 2,989	\$ 5,462
General and administrative expenses	<u>481</u>	<u>657</u>
	<u>\$ 3,470</u>	<u>\$ 6,119</u>

Through the defined benefit plans under the Labor Standards Act, the Group is exposed to the following risks:

- 1) Investment risk: The plan assets are invested in domestic and foreign equity and debt securities, bank deposits, etc. The investment is conducted at the discretion of the Bureau or under the mandated management. However, in accordance with relevant regulations, the return generated by plan assets should not be below the interest rate for a 2-year time deposit with local banks.
- 2) Interest risk: A decrease in the government or corporate bond interest rate will increase the present value of the defined benefit obligation; however, this will be partially offset by an increase in the return on the plan's debt investments.
- 3) Salary risk: The present value of the defined benefit obligation is calculated using the future salaries of plan participants. As such, an increase in the salaries of the plan participants will increase the present value of the defined benefit obligation.

The actuarial valuations of the present value of the defined benefit obligation were carried out by qualified actuaries. The significant assumptions used for the purposes of the actuarial valuations are as follows:

	<b>December 31</b>	
	<b>2021</b>	<b>2020</b>
Discount rates	0.50%	0.50%
Expected rates of salary increase	2.00%-3.00%	2.00%-3.00%

If possible reasonable changes in each of the significant actuarial assumptions will occur and all other assumptions will remain constant, the present value of the defined benefit obligation will increase (decrease) as follows:

	<b>December 31</b>	
	<b>2021</b>	<b>2020</b>
Discount rates		
0.25% increase	<u>\$ (21,549)</u>	<u>\$ (22,214)</u>
0.25% decrease	<u>\$ 22,371</u>	<u>\$ 23,096</u>
Expected rates of salary increase		
0.25% increase	<u>\$ 21,466</u>	<u>\$ 22,158</u>
0.25% decrease	<u>\$ (20,801)</u>	<u>\$ (21,436)</u>

The above sensitivity analysis may not be representative of the actual changes in the present value of the defined benefit obligation as it is unlikely that changes in assumptions will occur in isolation of one another as some of the assumptions may be correlated.

	<b>December 31</b>	
	<b>2021</b>	<b>2020</b>
The expected contributions to the plan for the next year	<u>\$ 10,585</u>	<u>\$ 10,495</u>
The average duration of the defined benefit obligation	9.084-11.22 years	9.997-11.76 years

## 26. EQUITY

### Share Capital

	<b>December 31</b>	
	<b>2021</b>	<b>2020</b>
Number of shares authorized (in thousands)	<u>1,000,000</u>	<u>1,000,000</u>
Share capital authorized	<u>\$ 10,000,000</u>	<u>\$ 10,000,000</u>
Number of shares issued and fully paid (in thousands)	<u>736,847</u>	<u>736,847</u>
Share capital issued	<u>\$ 7,368,465</u>	<u>\$ 7,368,465</u>

As of December 31, 2021, the Company has issued share capital of \$7,368,465 thousand with 736,847 thousand ordinary shares at \$10 per share.

The ordinary shares issued, which have par value of \$10, carry one vote and a right to dividends.

### Capital Surplus

	<b>December 31</b>	
	<b>2021</b>	<b>2020</b>
<u>May be used to offset a deficit</u>		
Arising from expired stock options	<u>\$ 63,896</u>	<u>\$ 63,896</u>

The capital surplus from shares issued in excess of par (additional arising from expired stock options) is used to offset a deficit.

### Retained Earnings and Dividend Policy

- a. Under the dividend policy as set forth in the Company's Articles of Incorporation, where the Company made a profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting losses of previous years, setting aside as legal reserve 10% of the remaining profit, setting aside or reversing a special reserve in accordance with the laws and regulations, and then any remaining profit together with any undistributed retained earnings shall be used by the Company's board of directors as the basis for proposing a distribution plan, which should be resolved in the shareholders' meeting for the distribution of dividends and bonuses to shareholders. For the policies on the distribution of compensation of employees and remuneration of directors after the amendment, please refer to Employee benefits expense in Note 28 (Compensation of Employees and Remuneration of Directors).

- b. In addition, according to the revised Articles of Incorporation of the Company, the dividend policy of the Company is to distribute dividends in light of the present and future development plan, taking into consideration the investment environment, fund demands, and domestic competition status, as well as factors of interests of shareholders. However, the amount of proposed earnings distribution of the current year may not be less than 20% of the accumulated distributable earnings. In distributing dividends and bonuses to shareholders, the distribution may be made by shares or cash, of which cash dividends may not be less than 10% of the total amount of dividends.
- c. Appropriation of earnings to the legal reserve shall be made until the legal reserve equals the Company's paid-in capital. The legal reserve may be used to offset deficit. If the Company has no deficit and the legal reserve has exceeded 25% of the Company's paid-in capital, the excess may be transferred to capital or distributed in cash.
- d. The appropriations of earnings for 2020 and 2019, which had been approved in the shareholders' meetings held on May 21, 2021 and May 22, 2020, respectively, were as follows:

	<b>Appropriation of Earnings</b>		<b>Dividends Per Share (NT\$)</b>	
	<b>For the Year Ended</b>		<b>For the Year Ended</b>	
	<b>December 31</b>		<b>December 31</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
Legal reserve	\$ 172,251	\$ 121,670	\$ -	\$ -
Special reserve	185,377	346,879	-	-
Cash dividends	1,252,639	884,216	1.70	1.20

- e. The appropriations of earnings for 2021 had been proposed by the Company's board of directors on February 25, 2022. The appropriations and dividends per share were as follows:

	<b>Appropriation of Earnings</b>	<b>Dividends Per Share (NT\$)</b>
Legal reserve	\$ 244,770	\$ -
Special reserve	288,874	-
Cash dividends	2,063,170	2.8

The appropriations of earnings for 2021 are subject to the resolution of the shareholders in their meeting to be held on May 19, 2022.

### **Other Equity Items**

- a. Exchange differences on translating the financial statements of foreign operations

Exchange differences relating to the translation of the results and net assets of the Group's foreign operations from their functional currencies to the Group's presentation currency (i.e., New Taiwan dollars) were recognized directly in other comprehensive income and accumulated in the exchange differences on translation of foreign operations. Gains and losses on hedging instruments that were designated as hedging instruments for hedges of net investments in foreign operations were included in the foreign currency translation reserve. Exchange differences previously accumulated in the foreign currency translation reserve were reclassified to profit or loss on the disposal of the foreign operation.

b. Unrealized gains or losses on financial assets at fair value through other comprehensive income

Unrealized gains or losses on financial assets at fair value through other comprehensive income represents the cumulative gains and losses arising on the revaluation of financial assets at fair value through other comprehensive income, that have been defined to recognize in other comprehensive income. The accumulated amounts of unrealized gains or losses from financial assets at fair value through other comprehensive income did not reclassified to gains or losses when dispose of investment.

**Non-controlling Interests**

	<b>For the Year Ended December 31</b>	
	<b>2021</b>	<b>2020</b>
Balance at beginning of year	\$ 125,693	\$ 111,661
Attributed to non-controlling interests:		
Net income	20,518	16,881
Exchange differences on translating the financial statements of foreign operations	-	(2)
Remeasurement of defined benefit plans	(896)	(68)
Related income tax	179	14
Payment of cash dividends to non-controlling interests	<u>(15,251)</u>	<u>(2,793)</u>
Balance at end of year	<u>\$ 130,243</u>	<u>\$ 125,693</u>

**27. REVENUE**

a. Disaggregation of revenue

Refer to Note 41 for information about disaggregation of revenue.

b. Contract balances

The Group's contract liabilities, all of which are derived from the sale of real estate, were recognized under contract liabilities; refer to Note 21 for the details. Changes in the contract balance arises from the timing difference when performance obligations are satisfied and when deposits and installment payments are received prior to qualifying for sales revenue recognition, and is transferred to revenue when performance obligations are satisfied.

The Group recognizes revenues when performance obligations are satisfied from providing real estate brokerage services or sales of real estate and recognizes the right to receive the consideration as accounts receivable, refer to Note 9 for the details.

## 28. NET PROFIT FROM CONTINUING OPERATIONS

Net profit from continuing operations consisted of the following:

### Interest Income

	<u>For the Year Ended December 31</u>	
	<u>2021</u>	<u>2020</u>
Interest income		
Cash in bank	\$ 100,069	\$ 87,047
Others	<u>3,831</u>	<u>2,510</u>
	<u>\$ 103,900</u>	<u>\$ 89,557</u>

### Other Gains and Losses

	<u>For the Year Ended December 31</u>	
	<u>2021</u>	<u>2020</u>
Impairment loss of investment properties	\$ (6,440)	\$ (3,343)
Losses on financial assets mandatorily classified as at FVTPL	(128)	(253)
Losses on disposal of property, plant and equipment	(2,594)	(1,134)
Gains on disposal of investment properties	7,253	6,715
Net foreign exchange gains (losses)	14,123	(38,097)
Share of gains on associates and joint venture	11,277	6,790
Impairment losses of goodwill and intangible assets	(40,906)	(5,452)
Others	<u>43,763</u>	<u>54,952</u>
	<u>\$ 26,348</u>	<u>\$ 20,178</u>

### Finance Costs

	<u>For the Year Ended December 31</u>	
	<u>2021</u>	<u>2020</u>
Interest on bank loans	\$ 77,470	\$ 162,680
Interest on unsecured bonds payable	52,721	56,920
Interest on lease liabilities	62,214	67,171
Others	<u>275</u>	<u>15</u>
	192,680	286,786
Deduct: Amounts included in the cost of qualifying asset (inventory-properties under development)	<u>(42,776)</u>	<u>(119,949)</u>
	<u>\$ 149,904</u>	<u>\$ 166,837</u>

Information about capitalized interest was as follows:

	<u>For the Year Ended December 31</u>	
	<u>2021</u>	<u>2020</u>
Interest capitalization rate	1.73%-5.70%	1.59%-5.70%

## Depreciation and Amortization

	<b>For the Year Ended December 31</b>	
	<b>2021</b>	<b>2020</b>
Property, plant and equipment	\$ 104,731	\$ 101,074
Right-of-use assets	578,236	564,931
Investment property	13,858	13,625
Intangible assets	<u>32,135</u>	<u>29,347</u>
	<u>\$ 728,960</u>	<u>\$ 708,977</u>
An analysis of depreciation by function		
Inventory	\$ 29	\$ 56
Operating costs	591,259	583,434
General and administrative expenses	91,679	82,515
Other losses	<u>13,858</u>	<u>13,625</u>
	<u>\$ 696,825</u>	<u>\$ 679,630</u>
An analysis of amortization by function		
Inventory	\$ -	\$ 717
Operating costs	3,962	1,386
General and administrative expenses	<u>28,173</u>	<u>27,244</u>
	<u>\$ 32,135</u>	<u>\$ 29,347</u>

## Operating Expenses Directly Related to Investment Properties

	<b>For the Year Ended December 31</b>	
	<b>2021</b>	<b>2020</b>
Direct operating expenses from investment properties		
Generating rental income	\$ 37,408	\$ 39,215
Not generating rental income	<u>117</u>	<u>161</u>
	<u>\$ 37,525</u>	<u>\$ 39,376</u>

## Employee Benefits Expense

	<b>For the Year Ended December 31</b>	
	<b>2021</b>	<b>2020</b>
Salary expense	\$ 7,993,906	\$ 6,832,885
Labor and health insurance expense	<u>491,159</u>	<u>423,481</u>
	<u>8,485,065</u>	<u>7,256,366</u>
Post-employment benefits		
Defined contribution plans	251,864	219,948
Defined benefit plans (Note 25)	<u>3,470</u>	<u>6,119</u>
	<u>255,334</u>	<u>226,067</u>
Other employee benefits	<u>210,279</u>	<u>206,392</u>
Total employee benefits expense	<u>\$ 8,950,678</u>	<u>\$ 7,688,825</u>

(Continued)

	<b>For the Year Ended December 31</b>	
	<b>2021</b>	<b>2020</b>
An analysis of employee benefits expense by function		
Inventory	\$ 8,392	\$ 6,619
Operating costs	7,993,759	6,761,683
General and administrative expenses	<u>948,527</u>	<u>920,523</u>
	<u>\$ 8,950,678</u>	<u>\$ 7,688,825</u>
		(Concluded)

### **Compensation of Employees and Remuneration of Directors**

In accordance with the Company's Articles of incorporation, the Company accrued compensation of employees and remuneration of directors at the rates no less than 1% and no higher than 1%, respectively, of net profit before income tax, compensation of employees, and remuneration of directors. The compensation of employees and remuneration of directors for the years ended December 31, 2021 and 2020, which have been approved by the Group's board of directors on February 25, 2022 and February 25, 2021, respectively, were as follows:

#### Accrual rate

	<b>For the Year Ended December 31</b>	
	<b>2021</b>	<b>2020</b>
Compensation of employees	1%	1%
Remuneration of directors	0.16%	0.237%

#### Amount

	<b>For the Year Ended December 31</b>	
	<b>2021</b>	<b>2020</b>
	<b>Cash</b>	<b>Cash</b>
Compensation of employees	\$ 29,247	\$ 20,275
Remuneration of directors	4,800	4,800

If there is a change in the proposed amounts after the date the Group's annual consolidated financial statements were authorized for issue, the differences are accounted for as a change in the accounting estimate in the following year.

There is no difference between the actual amounts of compensation of employees and remuneration of directors and supervisors paid and the amounts recognized in the consolidated financial statements for the years ended December 31, 2020 and 2019.

Information on the compensation of employees and remuneration of directors resolved by the Company's board of directors in 2022 and 2021 is available at the Market Observation Post System website of the Taiwan Stock Exchange.



## Impairment Loss on Non-financial Assets

	<b>For the Year Ended December 31</b>	
	<b>2021</b>	<b>2020</b>
Intangible assets (included in other operating income and expenses, net)	\$ 40,906	\$ 5,452
Investment property (included in other operating income and expenses, net)	6,440	3,343
Inventories (included operating cost)	<u>16,869</u>	<u>57,263</u>
	<u>\$ 64,215</u>	<u>\$ 66,058</u>

## 29. INCOME TAXES RELATING TO CONTINUING OPERATIONS

### a. Income tax recognized in profit or loss

The major components of tax expense were as follows:

	<b>For the Year Ended December 31</b>	
	<b>2021</b>	<b>2020</b>
Current tax		
In respect of the current year	\$ 582,263	\$ 591,412
Income tax expense of unappropriated earnings	5,616	-
Land value increment tax	81,336	47,348
In respect of the prior years	(39,673)	(6,663)
Deferred tax		
In respect of the current year	<u>229,040</u>	<u>(14,741)</u>
Income tax expense recognized in profit or loss	<u>\$ 858,582</u>	<u>\$ 617,356</u>

Land value increment tax is estimated according to the related tax regulations issued by the People's Republic of China. The amount of final actual liability of land value increment tax shall be examined by the tax authorities of China, the adjustment between actual and estimated amount was \$265,545 thousand and recognized as a tax benefit for the year ended December 31, 2021.

A reconciliation of accounting profit and income tax expenses is as follows:

	<b>For the Year Ended December 31</b>	
	<b>2021</b>	<b>2020</b>
Profit before tax from continuing operations	<u>\$ 3,228,941</u>	<u>\$ 2,186,524</u>
Income tax expense calculated at the statutory rate	\$ 645,788	\$ 437,305
Nondeductible expenses in determining taxable income	45,086	67,907
Deductible expenses in determining taxable income	(16,243)	(9,043)
Tax-exempt income	(540)	(542)
Additional income tax on unappropriated earnings	5,616	-
Land value increment tax	81,336	47,348
Unrecognized deductible temporary differences	68,625	44,959
Loss carryforwards unrecognized in current period	37,705	21,379
Effect of different tax rates of the Group operating in other jurisdictions	30,882	14,706

(Continued)

	<b>For the Year Ended December 31</b>	
	<b>2021</b>	<b>2020</b>
Adjustments for prior years' tax	\$ (39,673)	\$ (6,663)
Income tax expense recognized in profit or loss	<u>\$ 858,582</u>	<u>\$ 617,356</u> (Concluded)
b. Income tax benefit recognized in other comprehensive income		

	<b>For the Year Ended December 31</b>	
	<b>2021</b>	<b>2020</b>
<u>Deferred tax</u>		
In respect of the current year		
Remeasurement of defined benefit plan	<u>\$ 3,767</u>	<u>\$ 4,055</u>

c. Current tax assets and liabilities

	<b>December 31</b>	
	<b>2021</b>	<b>2020</b>
Current tax assets		
Tax refund receivables	<u>\$ 14,151</u>	<u>\$ 22,302</u>
Current tax liabilities		
Income tax payables	\$ 698,083	\$ 501,030
Land value tax payables	<u>558,502</u>	<u>845,460</u>
	<u>\$ 1,256,585</u>	<u>\$ 1,346,490</u>

d. Deferred tax assets and liabilities

The movements of deferred tax assets and deferred tax liabilities were as follows:

For the year ended December 31, 2021

	<b>Opening Balance</b>	<b>Recognized in Profit or Loss</b>	<b>Recognized in Other Compre- hensive Income</b>	<b>Exchange Differences</b>	<b>Closing Balance</b>
<u>Deferred tax assets</u>					
Temporary differences					
Allowance for impairment loss	\$ 1,265	\$ 368	\$ -	\$ -	\$ 1,633
Provisions	13,249	3,160	-	-	16,409
Loss carryforwards	56,407	(18,827)	-	-	37,580
Defined benefit obligation	2,138	(2,547)	3,767	-	3,358

(Continued)

	<b>Opening Balance</b>	<b>Recognized in Profit or Loss</b>	<b>Recognized in Other Compre- hensive Income</b>	<b>Exchange Differences</b>	<b>Closing Balance</b>
Deferred revenue	\$ 57,008	\$ (37,855)	\$ -	\$ 12	\$ 19,165
Deferred advertisement	40,617	19,849	-	-	60,466
Employee benefits	27,113	35,770	-	-	62,883
Others	<u>34,438</u>	<u>(18,105)</u>	<u>-</u>	<u>3</u>	<u>16,336</u>
	<u>\$ 232,235</u>	<u>\$ (18,187)</u>	<u>\$ 3,767</u>	<u>\$ 15</u>	<u>\$ 217,830</u>

(Concluded)

	<b>Opening Balance</b>	<b>Recognized in Profit or Loss</b>	<b>Recognized in Other Compre- hensive Income</b>	<b>Closing Balance</b>
<u>Deferred tax liabilities</u>				
Temporary differences				
Return on investment	\$ <u>-</u>	\$ <u>210,853</u>	\$ <u>-</u>	\$ <u>210,853</u>

For the year ended December 31, 2020

	<b>Opening Balance</b>	<b>Recognized in Profit or Loss</b>	<b>Recognized in Other Compre- hensive Income</b>	<b>Exchange Differences</b>	<b>Closing Balance</b>
<u>Deferred tax assets</u>					
Temporary differences					
Allowance for impairment loss	\$ 1,297	\$ (32)	\$ -	\$ -	\$ 1,265
Provisions	11,066	2,183	-	-	13,249
Loss carryforwards	56,159	(621)	-	869	56,407
Defined benefit obligation	1,167	664	307	-	2,138
Right-of-use assets	3,793	(3,793)	-	-	-
Deferred revenue	109,865	(54,098)	-	1,241	57,008
Deferred advertisement	97	40,520	-	-	40,617
Others	<u>29,090</u>	<u>31,994</u>	<u>-</u>	<u>467</u>	<u>61,551</u>
	<u>\$ 212,534</u>	<u>\$ 16,817</u>	<u>\$ 307</u>	<u>\$ 2,577</u>	<u>\$ 232,235</u>

	<b>Opening Balance</b>	<b>Recognized in Profit or Loss</b>	<b>Recognized in Other Compre- hensive Income</b>	<b>Closing Balance</b>
<u>Deferred tax liabilities</u>				
Temporary differences				
Defined benefit obligation	\$ <u>1,672</u>	\$ <u>2,076</u>	\$ <u>(3,748)</u>	\$ <u>-</u>

- e. Unused loss carryforwards for which no deferred tax assets have been recognized in the consolidated balance sheets

	<b>December 31</b>	
	<b>2021</b>	<b>2020</b>
Loss carryforwards		
Expiry in 2021	\$ -	\$ 20,349
Expiry in 2022	149,784	150,922
Expiry in 2023	121,571	122,588
Expiry in 2024	118,076	114,402
Expiry in 2025	208,004	163,348
Expiry in 2026	257,721	17,105
Expiry in 2027	38,469	38,469
Expiry in 2028	47,184	47,184
Expiry in 2029	47,361	42,324
Expiry in 2030	30,597	24,230
Expiry in 2031	<u>16,189</u>	<u>-</u>
	<u>\$ 1,034,956</u>	<u>\$ 740,921</u>

- f. Information about unused loss carryforwards

Loss carryforwards as of December 31, 2021 comprised:

<b>Unused Amount</b>	<b>Expiry Year</b>
\$ 149,784	2022
121,571	2023
124,661	2024
232,538	2025
264,231	2026
40,405	2027
88,904	2028
67,350	2029
52,340	2030
<u>82,824</u>	2031
<u>\$ 1,224,608</u>	

- g. Income tax assessments

Jui-Inn, Yowoo Technology, Sinyi Consulting, Lian Yue Traffic and Tokyo Sinyi's tax returns through 2020 had been assessed by the tax authorities.

Sinyi Realty Inc., Heng-Yi, An-Shin, An-Sin, Taiwan Sinyi Development, Da-Chia Construction, Sinyi Real Estate, Jin Mei, Sinyi Global and Sinyi Culture's tax returns through 2019 had been assessed by the tax authorities.

### 30. EARNINGS PER SHARE

Unit: NT\$ Per Share

	<b>For the Year Ended December 31</b>	
	<b>2021</b>	<b>2020</b>
Basic EPS	<u>\$ 3.19</u>	<u>\$ 2.11</u>
Diluted EPS	<u>\$ 3.18</u>	<u>\$ 2.10</u>

The earnings and weighted average number of ordinary shares outstanding used in the computation of earnings per share from continuing operations were as follows:

#### Net Profit for the Year

	<b>For the Year Ended December 31</b>	
	<b>2021</b>	<b>2020</b>
Profit for the year attributable to owners of the Company	<u>\$ 2,349,841</u>	<u>\$ 1,552,287</u>

Weighted average number of ordinary shares outstanding (in thousands of shares):

	<b>For the Year Ended December 31</b>	
	<b>2021</b>	<b>2020</b>
Weighted average number of ordinary shares used in computation of basic earnings per share	736,847	736,847
Effect of dilutive potential ordinary shares		
Bonus issued to employees	<u>1,157</u>	<u>784</u>
Weighted average number of ordinary shares used in the computation of diluted earnings per share	<u>738,004</u>	<u>737,631</u>

Since the Group is allowed to settle the compensation to employees by cash or shares, the Group presumed that the entire amount of the compensation will be settled in shares and the resulting potential shares are included in the weighted average number of outstanding shares used in the calculation of diluted earnings per share, as the shares have a dilutive effect. The number of shares is estimated by dividing the entire amount of the bonus by the closing price of the shares at the balance sheet date. The dilutive effect of the potential shares is included in the calculation of diluted earnings per share until the shareholders resolve the number of shares to be distributed to employees at their meeting in the following year.

### 31. BUSINESS COMBINATIONS

#### Subsidiaries Acquired

Subsidiary	Principal Activity	Date of Acquisition	Proportion of Voting Equity Interests Acquired (%)	Consideration Transferred
Jin Mei Travel Service Co., Ltd.	Tourism	November 30, 2020	100	<u>\$ 5,310</u>

The Group acquired Jin Mei to pursue the development of business and to integrate the resource of the Group. All Transfer consideration were paid by cash.

The Group's acquisition of Jin Mei had been measured after acquired the official purchase price allocation report during the post measurement period. The Group recognized the excess amount between the purchase price paid and the fair value of net assets acquired as goodwill.

a. Assets acquired and liabilities assumed at the date of acquisition

	Jin Mei
Current assets	
Cash and cash equivalents	\$ 1,542
Trade and other receivables	1,000
Other current assets	1,122
Non-current assets	
Refundable deposits	350
Current liabilities	
Notes payable	(39)
Trade payables	(135)
Advance receipts	<u>(1,400)</u>
Fair value of net assets acquired	<u>\$ 2,440</u>

b. Goodwill recognized on acquisitions

	Jin Mei
Consideration transferred	\$ 5,310
Less: Fair value of identifiable net assets acquired	<u>(2,440)</u>
Goodwill recognized on acquisitions	<u>\$ 2,870</u>

The total amount of acquired goodwill is expected to be not tax-deductible.

c. Net cash outflow on the acquisition of subsidiaries

	Jin Mei
Consideration paid in cash	\$ (5,310)
Less: Cash and cash equivalent balances acquired	<u>1,542</u>
	<u>\$ (3,768)</u>

d. Impact of acquisitions on the results of the Group

The results of the acquirees since the acquisition date included in the consolidated statements of comprehensive income are as follows:

	<b>For the Year Ended December 31, 2020</b>
	<b>Jin Mei</b>
Revenue	<u>\$ 110</u>
Net loss	<u>\$ (66)</u>

### 32. CASH FLOW INFORMATION

#### Changes in Liabilities Arising from Financing Activities

For the year ended December 31, 2021

	Opening Balance	Cash Flows	Non-cash Changes		Cash Flow from Operating Activities	Closing Balance
			New Leases	Other		
Bonds payable (including current portion)	\$ 5,300,000	\$ (700,000)	\$ -	\$ -	\$ -	\$ 4,600,000
Long-term borrowings (including current portion)	3,801,288	(1,195,552)	-	12,253	-	2,617,989
Guarantee deposits received	32,023	6,221	-	-	-	38,244
Lease liabilities	3,492,542	(516,531)	542,879	(7,686)	(62,214)	3,448,990
Other payables to related parties	<u>23,636</u>	<u>(8,688)</u>	<u>-</u>	<u>(178)</u>	<u>-</u>	<u>14,770</u>
	<u>\$ 12,649,489</u>	<u>\$ (2,414,550)</u>	<u>\$ 542,879</u>	<u>\$ 4,389</u>	<u>\$ (62,214)</u>	<u>\$ 10,719,993</u>

For the year ended December 31, 2020

	Opening Balance	Cash Flows	Non-cash Changes		Cash Flow from Operating Activities	Closing Balance
			New Leases	Other		
Bonds payable (including current portion)	\$ 5,300,000	\$ -	\$ -	\$ -	\$ -	\$ 5,300,000
Long-term borrowings (including current portion)	6,899,112	(3,107,381)	-	9,557	-	3,801,288
Guarantee deposits received	35,190	(3,167)	-	-	-	32,023
Lease liabilities	3,283,525	(502,149)	737,768	40,569	(67,171)	3,492,542
Other payables to related parties	<u>37,023</u>	<u>(13,701)</u>	<u>-</u>	<u>314</u>	<u>-</u>	<u>23,636</u>
	<u>\$ 15,554,850</u>	<u>\$ (3,626,398)</u>	<u>\$ 737,768</u>	<u>\$ 50,440</u>	<u>\$ (67,171)</u>	<u>\$ 12,649,489</u>

### 33. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as going concerns while maximizing the return to stakeholders through the optimization of the debt and equity balance.

Key management personnel of the Group review the capital structure on a quarterly basis. Based on recommendations of the key management personnel, in order to balance the overall capital structure, the Group may adjust the amount of dividends paid to shareholders, the number of new shares issued or repurchased, and/or the amount of new debt issued or existing debt redeemed.

### 34. FINANCIAL INSTRUMENTS

#### Fair Value of Financial Instruments

a. Fair value of financial instruments not measured at fair value

Except as detailed in the following table, management believes the carrying amounts of financial assets and financial liabilities recognized in the financial statements approximate their fair values or their fair values cannot be reliably measured.

December 31, 2021

	Carrying Amount	Fair Value Hierarchy			Total
		Level 1	Level 2	Level 3	
<u>Financial liabilities</u>					
Financial liabilities measured at amortized cost - bonds payable	<u>\$ 4,600,000</u>	<u>\$ -</u>	<u>\$ 4,651,194</u>	<u>\$ -</u>	<u>\$ 4,651,194</u>

December 31, 2020

	Carrying Amount	Fair Value Hierarchy			Total
		Level 1	Level 2	Level 3	
<u>Financial liabilities</u>					
Financial liabilities measured at amortized cost - bonds payable	<u>\$ 5,300,000</u>	<u>\$ -</u>	<u>\$ 5,311,879</u>	<u>\$ -</u>	<u>\$ 5,311,879</u>

The fair values of the financial liabilities included in the Level 2 category above have been determined in accordance with market price based on a discounted cash flow analysis, with the most significant observable inputs being the bond duration, interest rates and credit ratings, etc.



b. Fair value financial instruments measured at fair value on a recurring basis

1) Fair value hierarchy

December 31, 2021

	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Financial assets at FVTPL				
Non-derivative financial assets held for trading				
Domestic listed shares - equity investments	\$ 47,588	\$ -	\$ -	\$ 47,588
	<u>\$ 47,588</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 47,588</u>
Financial assets at FVTOCI				
Domestic listed shares - equity investments	\$ 119,892	\$ -	\$ -	\$ 119,892
Domestic unlisted shares - equity investments	-	-	111,183	111,183
Foreign listed shares - equity investments	316,951	-	-	316,951
Foreign unlisted shares - equity investments	-	-	123,543	123,543
	<u>\$ 436,843</u>	<u>\$ -</u>	<u>\$ 234,726</u>	<u>\$ 671,569</u>

December 31, 2020

	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Financial assets at FVTPL				
Non-derivative financial assets held for trading				
Domestic listed shares - equity investments	\$ 6,529	\$ -	\$ -	\$ 6,529
Mutual funds	60,278	-	-	60,278
Structured financial products	-	38,718	-	38,718
	<u>\$ 66,807</u>	<u>\$ 38,718</u>	<u>\$ -</u>	<u>\$ 105,525</u>
Financial assets at FVTOCI				
Domestic listed shares - equity investments	\$ 102,917	\$ -	\$ -	\$ 102,917
Domestic unlisted shares - equity investments	-	-	116,152	116,152
Foreign listed shares - equity investments	529,137	-	-	529,137
Foreign unlisted shares - equity investments	-	-	180,354	180,354
	<u>\$ 632,054</u>	<u>\$ -</u>	<u>\$ 296,506</u>	<u>\$ 928,560</u>

There were no transfers between Level 1 and Level 2 in the current and prior periods.

2) Reconciliation of Level 3 fair value measurements of financial instruments

For the year December 31, 2021

	<b>Financial Assets at Fair Value Through Other Comprehensive Income Equity Instruments</b>
Balance at January 1, 2021	\$ 296,506
Addition	6,569
Disposal	(1,607)
Recognized in other comprehensive (loss) income	(65,348)
Effect of exchange rate changes	<u>(1,394)</u>
Balance at December 31, 2021	<u>\$ 234,726</u>

For the year December 31, 2020

	<b>Financial Assets at Fair Value Through Other Comprehensive Income Equity Instruments</b>
Balance at January 1, 2020	\$ 349,958
Addition	16,286
Recognized in other comprehensive (loss) income	(72,288)
Effect of exchange rate changes	<u>2,550</u>
Balance at December 31, 2020	<u>\$ 296,506</u>

3) Valuation techniques and inputs applied for Level 2 fair value measurement

<u>Financial Instruments</u>	<u>Valuation Techniques and Inputs</u>
Structured financial products	Discounted cash flows: Future cash flows are estimated based on observable interest rate and discounted at a market interest rate.

4) Valuation techniques and inputs applied for Level 3 fair value measurement

<u>Financial Instruments</u>	<u>Valuation Techniques and Inputs</u>
Foreign unlisted shares	Market comparison method: The value of the evaluation target can be obtained by using the transaction price of the enterprises which are similar to the evaluation target in the active market with consideration of implied value multiplier and liquidity discount.

(Continued)

<b>Financial Instruments</b>	<b>Valuation Techniques and Inputs</b>
Domestic unlisted shares	According to the balance sheet of the evaluation target, evaluate the total value of its individual assets and liabilities using market approach consistently with the consideration of liquidity and non-control discounts to reflect the overall value of the target.
	(Concluded)

For fair value measurements categorized within Level 3 of the fair value hierarchy as derivatives and investments in equity instruments, the lack of quoted prices in an active market categorized the financial assets into Level 3 of which fair values are based on valuations provided by market participants or quoted prices of the counterparty. Quantitative information is not disclosed since the relationship between significant unobservable inputs and the fair value cannot be fully controlled.

### **Categories of Financial Instruments**

	<b>December 31</b>	
	<b>2021</b>	<b>2020</b>
<u>Financial assets</u>		
FVTPL		
Mandatorily classified as at FVTPL	\$ 47,588	\$ 105,525
Financial assets at amortized cost (Note 1)	11,608,564	8,031,402
Financial assets at FVTOCI	671,569	928,560
<u>Financial liabilities</u>		
Financial assets at amortized cost (Note 2)	13,143,553	13,447,705

Note 1: The balance included loans and receivables measured at amortized cost, which comprise cash and cash equivalents, notes receivable, trade receivables, other receivables, other current financial assets and refundable deposits.

Note 2: The balance included financial liabilities measured at amortized cost, which comprise notes payable, trade payables, other payables, bonds payable, long-term borrowings (including current portion of long-term borrowings and bonds payable), long-term bonus payable (classified as other non-current liabilities) and guarantee deposits received.

### **Financial Risk Management Objectives and Policies**

The Group's major financial instruments included equity, mutual funds, trade receivables, other payables, bonds payable, borrowings and lease liabilities. The Group's Corporate Treasury function provides services to the business and manages the financial risks relating to the operations of the Group through internal risk reports which analyze exposures by degree and magnitude of risks. These risks include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk. The Group seeks to ensure sufficient funding readily available when needed with the objective to reduce the potentially adverse effects the market uncertainties may have on its financial performance.

The plans for material treasury activities are reviewed by Audit Committees and/or Board of Directors in accordance with procedures required by relevant regulations or internal controls. During the implementation of such plans, Corporate Treasury function must comply with certain treasury procedures that provide guiding principles for overall financial risk management and segregation of duties. Compliance with policies and exposure limits is reviewed by the internal auditors on a continuous basis.

a. Market risk

The Group's activities exposed it primarily to the financial risks of changes in foreign currency exchange rates (see (1) below) and interest rates (see (2) below).

1) Foreign currency risk

Most of the Group's operating activities are in Taiwan, denominated in New Taiwan dollars. Therefore, the operating activities in Taiwan are not exposed to foreign currency risk. The Group took foreign operations as strategic investments and did not hedge the risk.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period, refer to Note 39.

Foreign currency sensitivity analysis

The following table details the Group's sensitivity to a 1% increase and decrease in the New Taiwan dollar ("NTD", the functional currency) against the relevant foreign currencies. A negative number below indicates an increase in profit before income tax or equity where the NTD strengthens 1% against the relevant currency. For a 1% weakening of the NTD against the relevant currency, the balances below would be positive if the other factors remain unchanged.

	For the Year Ended December 31							
	2021				2020			
	RMB	JPY	USD	MYR	RMB	JPY	USD	MYR
Equity	\$ 72,138	\$ 2,355	\$ 281	\$ 453	\$ 35,591	\$ 1,634	\$ 624	\$ 698
Profit or loss	8	-	395	11	2,415	94	564	12

2) Interest rate risk

The Group is exposed to interest rate risk on investments and borrowings; interest rates could be fixed or floating. The investments and part of borrowings are fixed-interest rates and measured at amortized cost, and changes in interest will not affect future cash flows. Another part of borrowings are floating-interest rates, and changes in interest will affect future cash flows, but will not affect fair value.

The carrying amounts of the Group's financial assets and financial liabilities with exposure to interest rates at the end of reporting period were as follows:

	December 31	
	2021	2020
Fair value interest rate risk		
Financial assets	\$ 502,526	\$ 467,481
Financial liabilities	10,131,749	11,517,466
Cash flow interest rate risk		
Financial assets	24,511	64,218
Financial liabilities	550,000	1,100,000

Interest rate sensitivity analysis

The Group was exposed to cash flow interest rate risk in relation to floating rate financial assets or liabilities, and the financial assets, short-term and long-term borrowings will be affected by the changes in market interest rate accordingly. If the market interest rate increased/decreased by 1%, the Group's cash outflow will increase/decrease by \$5,255 thousand and \$10,358 thousand for the years ended December 31, 2021 and 2020, respectively.

### 3) Other price risk

The Group was exposed to equity price risk through its investments in mutual funds, domestic quoted shares and foreign quoted shares.

If equity prices had been 1% higher/lower, pre-tax profit for the years ended December 31, 2021 and 2020 would have increased/decreased by \$476 thousand and \$668 thousand, respectively as a result of the changes in fair value of financial assets at FVTPL, and the pre-tax other comprehensive income for the years ended December 31, 2021 and 2020 would have increased/decreased by \$6,716 thousand and \$9,286 thousand, respectively as a result of the changes in fair value of financial assets at FVTOCI.

### b. Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group is exposed to credit risk from operating activities, primarily trade receivables, and from investing activities, primarily the fixed-income investments and other financial instruments.

#### Business related credit risk

The Group is mainly engaged in the operation of real-estate brokerage and real-estate development business and the customers of the Group are the people who buy and sell houses. The revenue of agency service is also received through the housing performance guarantee, so the concentration credit risk of trade receivable is not material.

#### Financial credit risk

The credit risk of bank deposits, fixed-income investments and other financial instruments are regularly controlled and monitored by the Group's Corporate Treasury function. The counterparties to the foregoing financial instruments are reputable financial institutions and business organizations. Management does not expect the Group's exposure to default by those parties to be material.

### c. Liquidity risk

The Group manages liquidity risk by monitoring and maintaining a level of cash and cash equivalents deemed adequate to finance the Group's operations and mitigate the effects of fluctuations in cash flows. In addition, management monitors the utilization of bank borrowings and ensures compliance with loan covenants. The Group has sufficient working capital to pay all debts; thus, there is no liquidity risk.

The Group relies on bank borrowings as a significant source of liquidity. As of December 31, 2021 and 2020, the Group had available unutilized bank loan facilities as follows:

	<u>December 31</u>	
	<u>2021</u>	<u>2020</u>
Unsecured bank overdraft facility, reviewed annually and payable on call:		
Amount used	\$ 760,000	\$ 980,000
Amount unused	<u>10,378,800</u>	<u>8,999,000</u>
	<u>\$ 11,138,800</u>	<u>\$ 9,979,000</u>

(Continued)

	<b>December 31</b>	
	<b>2021</b>	<b>2020</b>
Secured bank overdraft facility:		
Amount used	\$ 1,858,175	\$ 2,821,288
Amount unused	<u>4,410,000</u>	<u>3,960,000</u>
	<u>\$ 6,268,175</u>	<u>\$ 6,781,288</u>
		(Concluded)

Liquidity and interest rate risk tables for non-derivative financial liabilities

The following table details the Group's remaining contractual maturities for its non-derivative financial liabilities with agreed upon repayment periods. The table has been drawn up based on the undiscounted cash flows of financial liabilities from the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows. Specifically, bank loans with a repayment on demand clause were included in the earliest time band regardless of the probability of the banks choosing to exercise their rights. The maturity dates for other non-derivative financial liabilities were based on the agreed upon repayment dates.

December 31, 2021

	<b>On Demand or Less than 1 Month</b>	<b>1 Month to 1 Year</b>	<b>1-5 Years</b>	<b>5+ Years</b>
Non-interest bearing	\$ -	\$ 4,566,035	\$ 1,338,748	\$ -
Lease liabilities	50,718	550,539	2,031,627	1,056,924
Floating interest rate liabilities	416	4,571	555,190	-
Fixed interest rate liabilities	<u>7,767</u>	<u>385,607</u>	<u>5,580,020</u>	<u>933,392</u>
	<u>\$ 58,901</u>	<u>\$ 5,506,752</u>	<u>\$ 9,505,585</u>	<u>\$ 1,990,316</u>

Additional information about the maturity analysis for lease liabilities:

	<b>On Demand or Less than 1 Month</b>	<b>1 Month to 1 Year</b>	<b>1-5 Years</b>	<b>5-10 Years</b>	<b>10-20 Years</b>
Lease liabilities	<u>\$ 50,718</u>	<u>\$ 550,539</u>	<u>\$ 2,031,627</u>	<u>\$ 1,018,999</u>	<u>\$ 37,925</u>

December 31, 2020

	<b>On Demand or Less than 1 Month</b>	<b>1 Month to 1 Year</b>	<b>1-5 Years</b>	<b>5+ Years</b>
Non-interest bearing	\$ 487	\$ 3,373,799	\$ 948,495	\$ -
Lease liabilities	49,087	539,366	2,023,326	2,550,666
Floating interest rate liabilities	-	-	1,100,000	-
Fixed interest rate liabilities	<u>-</u>	<u>727,210</u>	<u>6,397,714</u>	<u>900,000</u>
	<u>\$ 49,574</u>	<u>\$ 4,640,375</u>	<u>\$ 10,469,535</u>	<u>\$ 3,450,666</u>

Additional information about the maturity analysis for lease liabilities:

	<b>On Demand or Less than 1 Month</b>	<b>1 Month to 1 Year</b>	<b>1-5 Years</b>	<b>5-10 Years</b>	<b>10-20 Years</b>
Lease liabilities	<u>\$ 49,087</u>	<u>\$ 539,366</u>	<u>\$ 2,023,326</u>	<u>\$ 1,132,402</u>	<u>\$ 1,418,264</u>

### 35. TRANSACTIONS WITH RELATED PARTIES

Balances and transactions between the Company and its subsidiaries had been eliminated on consolidation and are not disclosed in this note. Details of transactions between the Group and other related parties were disclosed below:

#### Related Parties and their Relationships with the Group

<u>Related Party</u>	<u>Relationship with the Group</u>
Sinyi Land Administration Agent Joint Office	Related party in substance
H&B Business Co., Ltd.	Related party in substance
Sinyi Cultural Foundation	Related party in substance
Taiwan Regional Revitalization Foundation	Related party in substance
Yu-Hao Co., Ltd.	Corporate shareholder (direct investment using the equity method)
Sinyi Co., Ltd.	Corporate shareholder (direct investment using the equity method)
Yu-Heng Co., Ltd.	Corporate shareholder (indirect investment using the equity method)
Beijing Sinyi Guaranty Co., Ltd.	Related party in substance
Global Real Estate Appraisal Office	Related party in substance
Ken Investment Co., Ltd.	Related party in substance
Sin-Heng Limited.	Related party in substance
Sinyi Public Welfare Foundation	Related party in substance
Sinyi Real Estate Appraisal Office	Related party in substance
Sinyi Interior Design Co., Ltd.	Associate
Prospect Hospitality Co., Ltd.	The Company's director is its director
Shanghai Shing Sheng Engineering Management Office	Related party in substance

#### Operating Revenue

	<u>For the Year Ended December 31</u>	
	<u>2021</u>	<u>2020</u>
Service revenue		
The Company's director is its director	<u>\$ 5,318</u>	<u>\$ 3,893</u>

#### Trade Receivables - Related Parties

	<u>December 31</u>	
	<u>2021</u>	<u>2020</u>
The Company's director is its director	<u>\$ 655</u>	<u>\$ 261</u>

## Other Payables to Related Parties

	<u>December 31</u>	
	2021	2020
Other related parties - related parties in substance	\$ <u>22,663</u>	\$ <u>32,966</u>

Parts of other payables to related parties were financing. Information on the financing for the years ended December 31, 2021 and 2020 were as follows:

	<u>For the Year Ended December 31, 2021</u>				
	<b>Highest Balance During the Period</b>	<b>Amount</b>	<b>Interest Rate</b>	<b>Interest Expense</b>	<b>Interest Payable</b>
Other related parties - related parties in substance	\$ <u>23,636</u>	\$ <u>14,770</u>	-	\$ <u>-</u>	\$ <u>6,011</u>

	<u>For the Year Ended December 31, 2020</u>				
	<b>Highest Balance During the Period</b>	<b>Amount</b>	<b>Interest Rate</b>	<b>Interest Expense</b>	<b>Interest Payable</b>
Other related parties - related parties in substance	\$ <u>37,023</u>	\$ <u>23,636</u>	-	\$ <u>-</u>	\$ <u>7,772</u>

The financing above were unsecured.

## Remuneration of Key Management Personnel

	<u>For the Year Ended December 31</u>	
	2021	2020
Short-term employee benefits	\$ 168,731	\$ 146,221
Other long-term employee benefits	<u>13,888</u>	<u>13,163</u>
	<u>\$ 182,619</u>	<u>\$ 159,384</u>

Other long-term benefits included a long-term incentive plan approved by the Company's board of directors to encourage senior management to contribute further to the sustainable growth of the Company. Senior managers will be entitled to such incentive when they continue to serve for three years starting from the following year after obtaining the qualification and the bonus is calculated on the basis of the Company's operating performance or individual performance.





The rental rates are based on the prevailing rates in the surrounding area. The Group collects rentals from related parties on a monthly basis.

e. Other receivables

	<u>December 31</u>	
	<u>2021</u>	<u>2020</u>
Other related parties		
Related parties in substance	<u>\$ 2,459</u>	<u>\$ 1,290</u>

### 36. MORTGAGED OR PLEDGED ASSETS

The Group's assets mortgaged or pledged as collateral for bank loans, other financial institutions or other contracts were as follows:

	<u>December 31</u>	
	<u>2021</u>	<u>2020</u>
Property, plant and equipment (including investment properties)		
Land	\$ 4,191,664	\$ 4,191,664
Building	384,741	400,546
Other financial assets		
Pledged time deposits and demand deposits	340,883	7,189
Inventories	<u>3,534,406</u>	<u>10,918,490</u>
	<u>\$ 8,451,694</u>	<u>\$ 15,517,889</u>

### 37. SIGNIFICANT CONTINGENCIES AND UNRECOGNIZED COMMITMENTS

- a. The Group is involved in claims that arise in the ordinary course of brokerage and escrow business; the other party may claim against the Group through legal proceedings. On the basis of past experience and consultations with legal counsel, management of the Group has measured the possible effects of the contingent lawsuits on its financial condition in brokerage and escrow business.
- b. Guarantee notes submitted as guarantees for real-estate brokerage business amounted to \$5,000 thousand.
- c. The Company and Jiu Xin Estate have endorsed Hong Kong Sinyi Estate, An-Sin and Kunshan Dingxian Trading in obtaining financing limit of \$941,120 thousand, \$2,600,000 thousand and \$18,427 thousand, respectively. Refer to Note 40, Table 2 for the details.
- d. As of December 31, 2021, the Group had signed construction contracts but not yet paid for \$2,292,801 thousand.

- e. Jiu Xin Estate property developer in mainland China, sold real estate and guaranteed the mortgage bank loans of some of its customers (including natural persons and juridical persons); the guarantee amounted to \$604,394 thousand as of December 31, 2021. The amount of mortgage loan was remitted to Jiu Xin Estate for payment of the property sold according to local practice. If a customer breached a mortgage contract, Jiu Xin Estate will return to the banks only the amount of mortgage received. Therefore, Jiu Xin Estate is not exposed to risk of material loss from the guarantee. The guarantee is just a selling feature in the real estate development industry in China and it does not bear the economic substance and risk of ordinary endorsement. In addition, according to the Q&A No. 35 of the “Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies” (the Regulations) announced on December 26, 2012 by the SFB, the above guarantee provided by Jiu Xin Estate to its customers is similar to an escrow, instead of endorsement as defined in the Regulations.

### 38. OTHER ITEMS

The Group assessed the impact of the COVID-19 pandemic and concluded that other than the real estate brokerage segment, real estate agency sales segment and real estate development segment in Taiwan which have not been significantly affected, some overseas businesses were slightly affected by the border controls imposed due to the pandemic. However, the overall business and financial aspects have not been severely affected. Currently, the Group is promoting a cost saving project, and is continuously assessing the potential impact of going concern, asset impairment and financing risks.

### 39. EXCHANGE RATE OF FINANCIAL ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The Group’s significant financial assets and liabilities denominated in foreign currencies were as follows:

December 31, 2021

	<b>Foreign Currency (In Thousands)</b>	<b>Exchange Rate</b>	<b>New Taiwan Dollars (In Thousands)</b>
<u>Financial assets</u>			
Monetary items			
RMB	\$ 1,926,898	4.344	\$ 8,370,447
JPY	2,191,892	0.2405	527,150
USD	2,329	27.680	64,463
MYR	7,946	6.644	52,796
Non-monetary items			
RMB	28,440	4.344	123,543
JPY	1,317,881	0.2405	316,950
<u>Financial liabilities</u>			
Monetary items			
RMB	266,085	4.344	1,155,875
JPY	1,212,591	0.2405	291,628

December 31, 2020

	<b>Foreign Currency (In Thousands)</b>	<b>Exchange Rate</b>	<b>New Taiwan Dollars (In Thousands)</b>
<u>Financial assets</u>			
Monetary items			
RMB	\$ 1,143,657	4.377	\$ 5,005,789
JPY	1,555,578	0.2763	429,806
USD	4,022	28.480	114,548
MYR	10,270	7.080	72,710
Non-monetary items			
RMB	67,209	4.377	294,174
JPY	1,824,380	0.2763	504,076
<u>Financial liabilities</u>			
Monetary items			
RMB	275,345	4.377	1,205,186
JPY	929,964	0.2763	256,949

The Group is mainly exposed to foreign currency risk from USD, RMB, JPY and MYR. The following information was aggregated by the functional currencies of the Group and the exchange rates between respective functional currencies and the presentation currency were disclosed. The realized and unrealized foreign exchange (losses) gains were as follows:

Functional Currency	<b>For the Year Ended December 31</b>			
	<b>2021</b>		<b>2020</b>	
	<b>Exchange Rate</b>	<b>Net Foreign Exchange (Loss) Gain</b>	<b>Exchange Rate</b>	<b>Net Foreign Exchange (Loss) Gain</b>
NTD	1 (NTD:NTD)	\$ 14,868	1 (NTD:NTD)	\$ (37,890)
USD	28.009 (USD:NTD)	(859)	29.549 (USD:NTD)	(64)
RMB	4.3413(RMB:NTD)	12	4.282 (RMB:NTD)	-
JPY	0.2554 (JPY:NTD)	(2)	0.2769 (JPY:NTD)	(54)
MYR	6.762 (MYR:NTD)	125	7.034 (MYR:NTD)	(75)
HKD	3.603 (HKD:NTD)	<u>(21)</u>	3.809 (HKD:NTD)	<u>(14)</u>
		<u>\$ 14,123</u>		<u>\$ (38,097)</u>

#### 40. SEPARATELY DISCLOSED ITEMS

Information on significant transactions and information on investees:

- a. Financing provided: Table 1 (see the attached)
- b. Endorsements/guarantees provided to others: Table 2 (see the attached)
- c. Marketable securities held (excluding investment in subsidiaries, associates and joint controlled entities): Table 3 (see the attached)

- d. Marketable securities acquired or disposed of at costs or prices of at least NT\$300 million or 20% of the paid-in capital: None
- e. Acquisition of individual real estate at costs of at least NT\$300 million or 20% of the paid-in capital: None
- f. Disposal of individual real estate at prices of at least NT\$300 million or 20% of the paid-in capital: None
- g. Total purchases from or sales to related parties of at least NT\$100 million or 20% of the paid-in capital: None
- h. Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital: Table 4 (see the attached)
- i. Information about derivative: None
- j. Others: The business relationship between the parent and the subsidiaries and between each subsidiary, and significant transactions between them: Table 5 (see the attached)
- k. Information on investees: Table 6 (see the attached)

Information on investments in mainland China:

- a. Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, shareholding ratio, investment gain or loss, carrying amount of the investment at the end of the period, repatriated investment gains, and limit on the amount of investment in the mainland China area: Table 7 (see the attached)
- b. Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses:
  - 1) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period: None
  - 2) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period: None
  - 3) The amount of property transactions and the amount of the resultant gains or losses: None
  - 4) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes: Table 2 (see the attached)
  - 5) The highest balance, the end of period balance, the interest rate range, and total current period interest with respect to financing of funds: Table 1 (see the attached)
  - 6) Other transactions that have a material effect on the profit or loss for the period or on the financial position, such as the rendering or receiving of services: None

Information on major shareholders:

The name of major shareholders, number of shares, percentage of ownership about the ownership of 5% or greater (Table 8)

#### 41. SEGMENT INFORMATION

- a. The Group is in the operation of local and international real-estate brokerage business and real-estate developing business. The Group provides information to the chief operating decision maker for the purpose of resources allocation and assessment of segment performance. The information gives emphasis on related laws on real-estate transactions in different countries that may affect the adoption of different marketing strategies.

Management has determined reportable segments as follows:

##### Real estate brokerage segment

- 1) Companies in Taiwan.
- 2) Companies in mainland China and other foreign companies.

##### Real estate development segment

- 1) Companies in Taiwan.
- 2) Companies in mainland China and other foreign companies.

The following table was an analysis of the Group's revenue, result of operations and assets of segments for the years ended December 31, 2021 and 2020:

	Real Estate Brokerage			Real Estate Lease Construction and Development			Elimination	Consolidated
	Taiwan	Mainland China and Others	Total	Taiwan	Mainland China and Others	Total		
For the year ended								
<u>December 31, 2021</u>								
Revenues from external customers	\$ 13,719,240	\$ 555,997	\$ 14,275,237	\$ 103,723	\$ 4,517,084	\$ 4,620,807	\$ -	\$ 18,896,044
Inter-segment revenues	282,011	42,272	324,283	696	51,550	52,246	(376,529)	-
Segment revenues	<u>\$ 14,001,251</u>	<u>\$ 598,269</u>	<u>\$ 14,599,520</u>	<u>\$ 104,419</u>	<u>\$ 4,568,634</u>	<u>\$ 4,673,053</u>	<u>\$ (376,529)</u>	18,896,044
Rental income from investment property								(103,723)
Consolidated revenues								<u>\$ 18,792,321</u>
Operating profit (loss)	<u>\$ 2,952,552</u>	<u>\$ (333,627)</u>	<u>\$ 2,618,925</u>	<u>\$ (105,245)</u>	<u>\$ 492,119</u>	<u>\$ 386,874</u>	<u>\$ 192,478</u>	\$ 3,198,277
Operating income from investment property								(66,198)
Operating income								<u>\$ 3,132,079</u>
Segment assets	<u>\$ 9,605,679</u>	<u>\$ 3,740,451</u>	<u>\$ 13,346,130</u>	<u>\$ 6,318,931</u>	<u>\$ 16,302,380</u>	<u>\$ 22,621,311</u>	<u>\$ (3,098,271)</u>	\$ 32,869,170
Investments accounted for by the equity method and goodwill								51,622
Total assets								<u>\$ 32,920,792</u>
For the year ended								
<u>December 31, 2020</u>								
Revenues from external customers	\$ 11,458,701	\$ 574,468	\$ 12,033,169	\$ 286,677	\$ 835,774	\$ 1,122,451	\$ -	\$ 13,155,620
Inter-segment revenues	283,088	46,195	329,283	348	74,024	74,372	(403,655)	-
Segment revenues	<u>\$ 11,741,789</u>	<u>\$ 620,663</u>	<u>\$ 12,362,452</u>	<u>\$ 287,025</u>	<u>\$ 909,798</u>	<u>\$ 1,196,823</u>	<u>\$ (403,655)</u>	13,155,620
Rental income from investment property								(94,179)
Consolidated revenues								<u>\$ 13,061,441</u>
Operating profit (loss)	<u>\$ 2,322,623</u>	<u>\$ (354,900)</u>	<u>\$ 1,967,723</u>	<u>\$ (105,545)</u>	<u>\$ 162,902</u>	<u>\$ 57,357</u>	<u>\$ 141,247</u>	\$ 2,166,327
Operating income from investment property								(54,802)
Operating income								<u>\$ 2,111,524</u>
Segment assets	<u>\$ 9,022,249</u>	<u>\$ 4,462,131</u>	<u>\$ 13,484,380</u>	<u>\$ 5,683,066</u>	<u>\$ 16,421,222</u>	<u>\$ 22,104,288</u>	<u>\$ (3,765,253)</u>	\$ 31,823,415
Investments accounted for by the equity method and goodwill								38,057
Total assets								<u>\$ 31,861,472</u>

The Group uses the operating profit (loss) as the measurement for segment profit. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance.

b. Product and labor service information

The Group's primarily business are real estate brokerage business, agency sale business, and developing business. The related information are as following:

	<u>December 31</u>	
	<u>2021</u>	<u>2020</u>
Real estate brokerage revenue	\$ 12,287,383	\$ 10,702,299
Sales of real estate agency	1,987,854	1,330,870
Developing business revenue	<u>4,517,084</u>	<u>1,028,272</u>
	<u>\$ 18,792,321</u>	<u>\$ 13,061,441</u>

c. Location information

Operating segments information had disclosed location information; therefore, no location information is required to be disclosed.

d. Major customers

No single customer accounts for at least 10% of the Group's revenue; therefore, no customer information is required to be disclosed.

## SINYI REALTY INC. AND SUBSIDIARIES

FINANCING PROVIDED  
FOR THE YEAR ENDED DECEMBER 31, 2021  
(In Thousands of New Taiwan Dollars)

No.	Financing Company	Borrower	Financial Statement Account	Related Parties	Maximum Balance for the Year	Ending Balance	Actual Appropriation	Interest Rate	Type of Financing	Transaction Amounts	Reasons for Short-term Financing	Allowance for Doubtful Accounts	Ending Balance of Collateral		Financing Limit for Each Borrowing Company	Financing Company's Financing Amount Limits	Remark (Note 13)
													Item	Value			
0	Sinyi Realty Inc.	Sinyi Development Inc.	Other receivables	Yes	\$ 1,700,000	\$ 1,700,000	\$ 316,000	0.91%; 0.92%	Short-term financing	\$ -	Working capital	\$ -	-	\$ -	\$ 3,730,642 (Note 1)	\$ 4,974,189 (Note 1)	\$ -
		Sinyi Morefun Tourism Development Limited	Other receivables	Yes	27,680 (US\$ 1,000 thousand)	27,680 (US\$ 1,000 thousand)	-	0.90%	Short-term financing (Note 11)	-	Working capital	-	-	-	3,730,642 (Note 1)	4,974,189 (Note 1)	-
		Jin Mei Travel Service Co., Ltd.	Other receivables	Yes	5,000	5,000	-	0.90%	Short-term financing	-	Working capital	-	-	-	3,730,642 (Note 1)	4,974,189 (Note 1)	-
1	Sinyi Real Estate (Shanghai) Limited	Jiu Xin Estate (Wuxi) Limited	Other receivables	Yes	832,960 (RMB 190,000 thousand)	825,360 (RMB 190,000 thousand)	825,360 (RMB 190,000 thousand)	4.75%	Short-term financing (Note 11)	-	Working capital	-	-	-	5,398,748 (Note 2)	8,098,122 (Note 2)	39,180
		Lunheng Business Management (Shanghai) Ltd.	Other receivables	Yes	65,760 (RMB 15,000 thousand)	-	-	4.75%	Short-term financing (Note 11)	-	Working capital	-	-	-	5,398,748 (Note 2)	8,098,122 (Note 2)	2,318
		Shanghai Sinyi Real Estate Inc.	Other receivables	Yes	87,680 (RMB 20,000 thousand)	86,880 (RMB 20,000 thousand)	86,880 (RMB 20,000 thousand)	4.75%	Short-term financing (Note 11)	-	Working capital	-	-	-	5,398,748 (Note 2)	8,098,122 (Note 2)	4,182
2	Hua Yun Renovation (Shanghai) Co., Ltd.	Lunheng Business Management (Shanghai) Ltd.	Other receivables	Yes	33,280 (RMB 7,600 thousand)	33,265 (RMB 7,600 thousand)	33,265 (RMB 7,600 thousand)	4.75%	Short-term financing (Note 11)	-	Working capital	-	-	-	12,528,600 (Note 3)	18,792,900 (Note 3)	1,174
3	SinYeh Enterprise Management (Shanghai) Ltd.	Sinyi Realty Inc.	Other receivables	Yes	438,400 (RMB 100,000 thousand)	-	-	4.75%	Short-term financing	-	Working capital	-	-	-	1,785,042 (Note 4)	2,677,563 (Note 4)	4,356
4	Shanghai Sinyi Real Estate Inc.	Zhejiang Sinyi Real Estate Co., Ltd.	Other receivables	Yes	10,900 (RMB 2,500 thousand)	10,860 (RMB 2,500 thousand)	10,860 (RMB 2,500 thousand)	4.75%	Short-term financing (Note 11)	-	Working capital	-	-	-	274,380 (Note 5)	548,760 (Note 5)	369
		Suzhou Sinyi Real Estate Inc.	Other receivables	Yes	174,400 (RMB 40,000 thousand)	173,760 (RMB 40,000 thousand)	173,760 (RMB 40,000 thousand)	4.75%	Short-term financing (Note 11)	-	Working capital	-	-	-	274,380 (Note 5)	548,760 (Note 5)	6,816
		Chuzhou Ya Zhan Functional Agricultural Science and Technology Co., Ltd.	Other receivables	No	52,072 (RMB 12,051 thousand)	26,920 (RMB 6,197 thousand)	26,920 (RMB 6,197 thousand)	6.00%	Short-term financing	-	Working capital	-	-	-	27,438 (Note 6)	91,460 (Note 6)	1,588
		Ke Wei Shanghai Real Estate Management Consulting Inc.	Other receivables	Yes	19,373 (RMB 4,500 thousand)	15,204 (RMB 3,500 thousand)	15,204 (RMB 3,500 thousand)	4.35%; 4.75%	Short-term financing	-	Working capital	-	-	-	73,168 (Note 7)	91,460 (Note 7)	264
5	Lunheng Business Management (Shanghai) Ltd.	Sinyi Realty Inc.	Other receivables	Yes	394,560 (RMB 90,000 thousand)	-	-	4.35%	Short-term financing	-	Working capital	-	-	-	1,342,580 (Note 8)	2,013,870 (Note 8)	11,041
		Jiu Xin Estate (Wuxi) Limited	Other receivables	Yes	920,640 (RMB 210,000 thousand)	912,240 (RMB 210,000 thousand)	912,240 (RMB 210,000 thousand)	4.75%	Short-term financing (Note 11)	-	Working capital	-	-	-	1,342,580 (Note 8)	2,013,870 (Note 8)	1,546
		Shanghai Sinyi Real Estate Inc.	Other receivables	Yes	113,360 (RMB 26,000 thousand)	112,944 (RMB 26,000 thousand)	112,944 (RMB 26,000 thousand)	4.75%	Short-term financing (Note 11)	-	Working capital	-	-	-	1,342,580 (Note 8)	2,013,870 (Note 8)	1,430
6	Sinyi Realty Inc. Japan	Sinyi Realty Inc.	Other receivables	Yes	67,900 (JPY 250,000 thousand)	36,075 (JPY 150,000 thousand)	36,075 (JPY 150,000 thousand)	2.00%	Short-term financing	-	Working capital	-	-	-	284,973 (Note 9)	427,459 (Note 9)	1,009

(Continued)



No.	Financing Company	Borrower	Financial Statement Account	Related Parties	Maximum Balance for the Year	Ending Balance	Actual Appropriation	Interest Rate	Type of Financing	Transaction Amounts	Reasons for Short-term Financing	Allowance for Doubtful Accounts	Ending Balance of Collateral		Financing Limit for Each Borrowing Company	Financing Company's Financing Amount Limits	Remark (Note 13)
													Item	Value			
7	Sinyi Management Co., Ltd.	Sinyi Realty Inc.	Other receivables	Yes	\$ 40,740 (JPY 150,000 thousand)	\$ 24,050 (JPY 100,000 thousand)	\$ 24,050 (JPY 100,000 thousand)	2.00%	Short-term financing	\$ -	Working capital	\$ -	-	\$ -	\$ 55,231 (Note 10)	\$ 82,846 (Note 10)	\$ 615
8	Sinyi Global Asset Management Co., Ltd.	Sinyi Realty Inc.	Other receivables	Yes	100,000	100,000	100,000	0.98%	Short-term financing	-	Working capital	-	-	-	359,397 (Note 12)	598,995 (Note 12)	907

Note 1: The maximum total financing provided should not exceed 40% of Sinyi Realty Inc.'s net worth. The individual lending amount should not exceed 30% of Sinyi Realty Inc.'s net.

Note 2: The maximum total financing provided should not exceed 150% of Sinyi Real Estate (Shanghai) Limited's net worth. The individual lending amount should not exceed 100% of Sinyi Real Estate (Shanghai) Limited's net worth.

Note 3: The maximum total financing provided should not exceed 150 times of Hua Yun Renovation (Shanghai) Co., Ltd.'s net worth. The individual lending amount should not exceed 100 times of Hua Yun Renovation (Shanghai) Co., Ltd.'s net worth.

Note 4: The maximum total financing provided should not exceed 150% of Xin Yeh Enterprise Management (Shanghai) Ltd.'s net worth. The individual lending amount should not exceed 100% of Xin Yeh Enterprise Management (Shanghai) Ltd.'s net worth.

Note 5: The maximum total financing provided should not exceed 300% of Shanghai Sinyi Real Estate Inc.'s net worth. The individual lending amount should not exceed 150% of Shanghai Sinyi Real Estate Inc.'s net worth.

Note 6: If the short term financing provided by Shanghai Sinyi Real Estate Inc. to the borrowing company is for the purpose of strategic consideration, the maximum total financing provided should not exceed 50% of Shanghai Sinyi Real Estate Inc.'s net worth and the individual lending amount should not exceed 15% of Shanghai Sinyi Real Estate Inc.'s net worth.

Note 7: The financing provided by Shanghai Sinyi Real Estate Inc. for borrowing company which is owned over 80% but less than 100% of its voting shares directly or indirectly by Shanghai Sinyi Real Estate Inc. or Sinyi Realty Inc., the maximum total financing provided should not exceed 50% of Shanghai Sinyi Real Estate Inc.'s net worth. The individual lending amount should not exceed 40% of Shanghai Sinyi Real Estate Inc.'s net worth.

Note 8: The financing provided by Lunheng Business Management (Shanghai) Ltd. for borrowing company which is owned 100% of its voting shares directly or indirectly by Lunheng Business Management (Shanghai) Ltd. or Sinyi Realty Inc., the maximum total financing provided should not exceed 150% of Lunheng Business Management (Shanghai) Ltd.'s net worth. The individual lending amount should not exceed 100% of Lunheng Business Management (Shanghai) Ltd.'s net worth.

Note 9: The financing provided by Sinyi Realty Inc. Japan for borrowing company which is owned 100% of its voting shares directly or indirectly by Sinyi Realty Inc. Japan or Sinyi Realty Inc., the maximum total financing provided should not exceed 150% of Sinyi Realty Inc. Japan's net worth. The individual lending amount should not exceed 100% of Sinyi Realty Inc. Japan's net worth.

Note 10: The financing provided by Sinyi Asset Management Co., Ltd. for borrowing company which is owned 100% of its voting shares directly or indirectly by Sinyi Asset Management Co., Ltd. or Sinyi Realty Inc., the maximum total financing provided should not exceed 150% of Sinyi Asset Management Co., Ltd.'s net worth. The individual lending amount should not exceed 100% of Sinyi Asset Management Co., Ltd.'s net worth.

Note 11: The restriction provided that such short term, i.e. within one year or the company's operating cycle, financing amount not exceeding 40% of the lender's net worth shall not apply to inter company loans of funds between overseas companies in which the Company holds, directly or indirectly, 100% of the voting shares.

Note 12: The financing provided by Sinyi Global Asset Management Co., Ltd. for borrowing company which is owned 100% of its voting shares directly or indirectly by Sinyi Global Asset Management Co., Ltd. or Sinyi Realty Inc., the maximum total financing provided should not exceed 5 times of Sinyi Global Asset Management Co., Ltd.'s net worth. The individual lending amount should not exceed 3 times of Sinyi Global Asset Management Co., Ltd.'s net worth.

Note 13: Interest recognized in the current period.

(Concluded)

## SINYI REALTY INC. AND SUBSIDIARIES

ENDORSEMENT/GUARANTEE PROVIDED TO OTHERS  
FOR THE YEAR ENDED DECEMBER 31, 2021  
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No.	Endorser/Guarantor	Guaranteed Party		Limits on Endorsement/ Guarantee Amount Provided to Each Guaranteed Party	Maximum Balance for the Year	Ending Balance	Actual Appropriation	Amount of Endorsement/ Guarantee Collateralized by Properties	Ratio of Accumulated Endorsement/ Guarantee to Net Equity Per Financial Statement (%)	Maximum Total Endorsement/ Guarantee Allowed to Be Provided by the Endorser/ Guarantor	Guarantee Given by Parent on Behalf of Subsidiaries	Guarantee Given by Subsidiaries on Behalf of the Company	Guarantee Given on Behalf of Companies in Mainland China	Note
		Name	Nature of Relationship											
0	Sinyi Realty Inc.	Sinyi Real Estate (Hong Kong) Limited	Indirectly 100% owned subsidiary	\$ 9,948,379 (Note 1)	\$ 970,190 (US\$ 34,000 thousand)	\$ 941,120 (US\$ 34,000 thousand)	\$ -	\$ -	7.57	\$ 18,653,211 (Note 1)	Yes	No	No	Note 3
		An-Sin Real Estate Management Ltd.	Directly 51% owned subsidiary	9,948,379 (Note 1)	2,600,000	2,600,000			20.91	18,653,211 (Note 2)	Yes	No	No	Note 4
1	Jiu Xin Estate (Wuxi) Limited	Kunshan Dingxian Trading Co., Ltd.	Business dealings	4,699,372 (Note 2)	18,597 (RMB 4,242 thousand)	18,427 (RMB 4,242 thousand)	18,427 (RMB 4,242 thousand)	-	0.31	5,874,216 (Note 2)	No	No	Yes	Note 5

Note 1: For those subsidiaries Sinyi Realty Inc. has over 50% ownership directly or indirectly, the limit of endorsement/guarantee amount for each guaranteed party should not exceed 80% of Sinyi Realty Inc.'s net worth. The maximum total endorsement/guarantee should not exceed 150% of Sinyi Realty Inc.'s net worth.

Note 2: For those subsidiaries which Jiu Xin Estate (Wuxi) Limited (hereafter referred to as "Jiu Xin" has over 80% of ownership directly or indirectly, or the Company holds 100% of the voting shares, the limit of endorsement/guarantee amount for each guaranteed party should not exceed 80% of Jiu Xin's net worth. The maximum total endorsement/guarantee should not exceed 100% of Jiu Xin's net worth.

Note 3: In response to the short term foreign currency borrowing needs of the Group's overseas subsidiaries to improve the efficiency of the Group's capital management, the Company shares its part of line of credit of bank with Sinyi Real Estate (Hong Kong) Limited and provides endorsement guarantees in accordance with the terms of the credit.

Note 4: In response to An Sin's operational the Company provides endorsement guarantees in accordance with the terms of the credit for the purpose of increasing the credit line of An Sin

Note 5: In response to the demand for building materials purchased by Kunshan Dingxian Trading Co., Ltd. to support the construction project of Jiu Xin, Jiu Xin provides the purchase amount equivalent guarantee at the request of suppliers.

## SINYI REALTY INC. AND SUBSIDIARIES

## MARKETABLE SECURITIES HELD (EXCLUDING INVESTMENTS IN SUBSIDIARIES, ASSOCIATES AND JOINTLY CONTROLLED ENTITIES)

DECEMBER 31, 2021

(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2021				Note
				Shares/Units	Carrying Value	Percentage of Ownership (%)	Market Value or Net Asset Value	
Sinyi Realty Inc.	<u>Listed shares</u> E.SUN Financial Holding Co., Ltd.	-	Financial assets at fair value through other comprehensive income - current	\$ 4,274,231	\$ 119,892	-	\$ 119,892	
	<u>Unlisted shares</u> Han Yu Venture Capital Co., Ltd.	-	Financial assets at fair value through other comprehensive income - non-current	5,000,000	27,234	11.0	27,234	
	NOWnews Network Co., Ltd.	-	Financial assets at fair value through other comprehensive income - non-current	4,378,275	73,949	9.0	73,949	
	PChome Investment Co., Ltd.	-	Financial assets at fair value through other comprehensive income - non-current	196,350	-	8.0	-	
	Cité Publishing Holding Ltd.	-	Financial assets at fair value through other comprehensive income - non-current	7,637	-	1.0	-	
	Cité Information Services Co., Ltd.	-	Financial assets at fair value through other comprehensive income - non-current	106,392	-	1.0	-	
	B Current Impact Investment Fund 3	-	Financial assets at fair value through other comprehensive income - non-current	1,000,000	10,000	10.0	10,000	
Sinyi Limited	<u>Listed shares</u> Orix Corp.	-	Financial assets at fair value through other comprehensive income - current	561,300	316,951	-	316,951	
Shanghai Sinyi Real Estate Inc.	<u>Unlisted shares</u> Cura Investment Management (Shanghai) Co., Ltd.	-	Financial assets at fair value through other comprehensive income - non-current	34,500,000	122,892	2.0	122,892	
	Taicang Yalong Management Consulting Co., Ltd.	-	Financial assets at fair value through other comprehensive income - non-current	-	651	15.0	651	
An-Sin Real Estate Management Ltd.	<u>Money market fund</u> Taishin 1699 Money Market Fund	-	Financial assets at fair value through profit or loss	3,479,025	47,588	-	47,588	

**SINYI REALTY INC. AND SUBSIDIARIES**

**RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL**

**DECEMBER 31, 2021**

**(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

Company Name	Nature of Relationships	Related Party	Ending Balance	Turnover Date	Overdue		Amounts Received in Subsequent Period	Allowance for Bad Debts
					Amount	Action Taken		
Sinyi Realty Inc.	An-Sin Real Estate Management Ltd.	Subsidiary	\$ 174,781	-	\$ -	-	\$ 174,138	\$ -

Note: For the balances of other receivables that generated from financing between related parties and the counterparties of the financing transactions, please refer to Table 1; the calculation of turnover rate is not applicable.

## SINYI REALTY INC. AND SUBSIDIARIES

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT TRANSACTIONS  
FOR THE YEAR ENDED DECEMBER 31, 2021

(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No.	Company Name	Counterparty	Flow of Transactions	Transaction Details			
				Financial Statement Account	Amount	Payment Terms	Percentage to Consolidated Total Assets/Revenue (%)
0	Sinyi Realty Inc.	An-Sin Real Estate Management Ltd. Sinyi Real Estate Consulting Ltd. Sinyi Development Inc.	a	Trade receivables	\$ 174,781	Regular settlement	1
			a	Service costs	123,691	-	-
			a	Other receivables	316,000	For working capital, rate at 0.91% ; 0.92%	1
1	Sinyi Global Asset Management Co., Ltd.	Sinyi Realty Inc.	b	Other receivables	100,000	For working capital, rate at 0.98%	-
2	Sinyi Real Estate (Shanghai) Limited	Jiu Xin Estate (WuXi) Limited Shanghai Sinyi Real Estate Inc.	c	Other receivables	825,360	For working capital, rate at 4.75%	3
			c	Other receivables	86,880	For working capital, rate at 4.75%	-
3	Jiu Xin Estate (WuXi) Limited	Lunheng Business Management (Shanghai) Ltd. Kunshan Dingxian Trading Co., Ltd	c	Long-term borrowings	912,240	For working capital, rate at 4.75%	3
			c	Contract assets	97,983	-	-
4	Kunshan Dingxian Trading Co., Ltd	Jiu Xin Estate (WuXi) Limited	c	Contract liabilities	152,879	-	-
5	Suzhou Sinyi Real Estate Inc.	Shanghai Sinyi Real Estate Inc.	c	Long-term borrowings	173,760	For working capital, rate at 4.75%	-
6	Shanghai Sinyi Real Estate Inc.	Lunheng Business Management (Shanghai) Ltd.	c	Long-term borrowings	112,994	For working capital, rate at 4.75%	-

Note 1: Parties to the intercompany transactions are identified and numbered (in first column) as follows::

- a. "0" for Sinyi Realty Inc.
- b. Subsidiaries are numbered from "1".

Note 2: Flows of transactions are categorized as follows:

- a. From a parent company to its subsidiary.
- b. From a subsidiary to its parent company.
- c. Between subsidiaries.

Note 3: Percentage to consolidated total assets is calculated by dividing the amount of a particular asset or liability account by the consolidated total of assets as of December 31, 2021.  
Percentage to consolidated total revenues is calculated by dividing the amount of a particular revenue or cost or expense account by the consolidated total operating revenues for the year ended December 31, 2021.

Note 4: The table is disclosed by the Company based on the principle of materiality.

## SINYI REALTY INC. AND SUBSIDIARIES

INFORMATION ON INVESTEEES  
FOR THE YEAR ENDED DECEMBER 31, 2021  
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investor Company	Investee Company	Location	Main Businesses and Products	Investment Amount		Balance as of December 31, 2021			Net Income (Loss) of the Investee	Investment Income (Loss) Recognized	Note
				Ending Balance	Beginning Balance	Shares	Percentage of Ownership (%)	Carrying Value			
Sinyi Realty Inc.	Samoa Sinyi International Limited	Equity Trust Chamber, P.O. Box 3269, Apia, Samoa	Investment holding	\$ 10,407,073	\$ 10,406,773	345,278,785	100	\$ 11,752,222	\$ 363,726	\$ 363,726	
	Sinyi Limited (B.V.I.)	4 <sup>th</sup> Floor, Ellen Skelton Building, 3076 Sir Francis Drake Highway, Road Town, Tortola VG1110, B. V. I.	Investment holding	1,905,584	2,227,354	57,277,000	100	476,798	(296,840)	(296,840)	
	Sinyi Development Inc.	No. 100, Sinyi Rd., Sec. 5, Sinyi District, Taipei City, Taiwan	Development, construction, rental and sale of residential building and factories	2,035,005	2,035,005	203,500,000	100	1,540,792	(122,288)	(122,288)	
	Sinyi Global Asset Management Co., Ltd.	No. 100, Sinyi Rd., Sec. 5, Sinyi District, Taipei City, Taiwan	Real estate brokerage	29,180	29,180	5,000,000	100	119,799	43,198	43,198	
	Heng-Yi Intelligent Technology Inc.	No. 100, Sinyi Rd., Sec. 5, Sinyi District, Taipei City, Taiwan	Information software, data processing and electronic information providing service	28,000	28,000	1,200,000	80	7,455	(1,203)	(963)	
	Jui-Inn Consultants Co., Ltd.	No. 100, Sinyi Rd., Sec. 5, Sinyi District, Taipei City, Taiwan	Management consulting	5,000	5,000	500,000	100	815	(34)	(34)	
	Sinyi Culture Publishing Inc.	No. 100, Sinyi Rd., Sec. 5, Sinyi District, Taipei City, Taiwan	Publication	4,960	4,960	-	99	2,334	108	107	
	An-Sin Real Estate Management Ltd.	No. 100, Sinyi Rd., Sec. 5, Sinyi District, Taipei City, Taiwan	Real estate management	25,500	25,500	7,650,000	51	135,717	42,064	21,454	
	Sinyi Interior Design Co., Ltd.	No. 100, Sinyi Rd., Sec. 5, Sinyi District, Taipei City, Taiwan	Interior design	950	950	95,000	19	18,481	2,904	551	
	Yowoo Technology Inc.	No. 100, Sinyi Rd., Sec. 5, Sinyi District, Taipei City, Taiwan	Information software, data processing and electronic information providing service	28,875	223,000	2,500,000	100	5,648	(14,545)	(14,545)	
	Rakuya International Info. Co., Ltd.	12F. No. 105, Dunhua S. Rd., Sec. 2, Daan District, Taipei City, Taiwan	Information software wholesale and retail	19,076	19,076	2,580,745	23	33,141	147,649	10,726	
	SIN CHIUN HOLDING SDN. BHD.	Suite 9-13A, Level 9, Wisma Uoa II, Jalan Pinang, 50450 Kuala Lumpur, Malaysia	Investment holding	1,795,572	1,795,572	243,537,766	100	1,490,001	(44,696)	(44,696)	
	Sinyi Real Estate Consulting Limited	No. 100, Sinyi Rd., Sec. 5, Sinyi District, Taipei City, Taiwan	Production of instructions of real estate	8,000	8,000	500,000	100	(11,134)	(15,794)	(15,794)	
	SINJU HOLDING SDN. BHD.	Unit 20-1, Level 20, Menara Prestige, No.1, Jalan Pinang, 50450 Kuala Lumpur W.P. Kuala Lumpur, Malaysian	Investment holding	29,384	15,129	4,135,900	100	16,444	(8,000)	(8,000)	
SINYI MOREFUN TOURISM DEVELOPMENT LTD.	Coastal Building, Wickham's Cay II, P. O. Box 2221, Road Town, Tortola, British Virgin Islands.	Investment holding	36,942	14,565	11,290	100	15,607	(15,856)	(15,856)		
JIN MEI TRAVEL SERVICE CO., LTD.	9F.-2, No.50, Linsen N. Rd., Zhongshan Dist., Taipei City, Taiwan	Tourism	8,310	8,310	-	100	4,497	(877)	(877)		
Sinyi International Limited (Samoa)	Forever Success International Limited (Mauritius)	3 <sup>rd</sup> Floor, Standard Chartered Tower, 19 Cybercity, Ebene, Mauritius.	Investment holding	68,741	68,741	2,216,239	100	172,207	50,261	50,261	
	Sinyi Realty Inc. Japan	2 <sup>nd</sup> Floor, Shoritsu Building 2-7-1 Yoyogi Shibuya-ku, Tokyo, Japan	Real estate brokerage, management and identification	58,064	58,064	16,000	100	284,973	30,643	30,643	
	Sinyi Development Ltd.	TMF Chambers, P.O. Box 3269, Apia Samoa	Investment holding	3,919,127	3,919,127	133,506,209	100	5,395,658	105,112	105,112	
Sinyi Limited (B.V.I.)	Sinyi Estate Ltd.	TMF Chambers, P.O. Box 3269, Apia Samoa	Investment holding	6,360,344	6,360,046	208,510,749	100	5,899,155	177,771	177,771	
	Inane International Limited (B.V.I.)	4 <sup>th</sup> Floor, Ellen Skelton Building, 3076 Sir Francis Drake Highway, Road Town, Tortola VG1110, B. V. I.	Investment holding	1,647,792	1,647,792	51,935,840	100	166,962	(255,378)	(255,378)	
Inane International Limited (B.V.I.)	Ke Wei HK Realty Limited	Rooms 2103, Futura Plaza, 111 How Ming Street, Kwun Tong, HK	Investment holding	95,129	95,129	2,675,000	99	(17,895)	(10,167)	(10,167)	
	Max Success International Limited	Palm Grove House, P.O. Box 438, Road Town, Torola, British Virgin Islands	Investment holding	66,174	66,174	1,584,000	100	10,007	(8)	(8)	
An-Sin Real Estate Management Ltd.	An-Shin Real Estate Management Ltd.	No. 100, Sinyi Rd., Sec. 5, Sinyi District, Taipei City, Taiwan	Real estate management	100,000	100,000	10,000,000	100	121,668	24,199	24,199	
Sinyi Realty Inc. Japan	Sinyi Management Co., Ltd.	2 <sup>nd</sup> Floor, Shoritsu Building 2-7-1 Yoyogi Shibuya-ku, Tokyo, Japan	Real estate brokerage, management and identification	10,746	10,746	600	100	55,231	7,120	7,120	
	Tokyo Sinyi Real Estate Co., Ltd.	3 <sup>rd</sup> Floor, No. 100, Sinyi Rd., Sec. 5, Sinyi District, Taipei City, Taiwan	Real estate brokerage	5,000	5,000	500,000	100	19,204	1,573	1,573	
Sinyi Development Ltd.	Sinyi Real Estate (Hong Kong) Limited	Room 802, 8 Floor, Millennium City 2, 378 Kwun Tong Road, Kwun Tong, Hong Kong	Investment holding	3,888,107	3,888,107	131,640,306	100	5,188,373	61,708	61,708	
Sinyi Estate Ltd.	Sinyi Estate (Hong Kong) Limited	Unit 2103, Futura Plaza, 111 How Ming Street, Kwun Tong, Kowloon, Hong Kong	Investment holding	6,351,124	6,350,826	207,010,749	100	5,874,180	194,290	194,290	
Sinyi Development Inc.	Da-Chia Construction Co., Ltd.	No. 100, Sinyi Rd., Sec. 5, Sinyi District, Taipei City, Taiwan	Development, construction, rental and sale of residential building and factories	800	500	80,000	100	364	(47)	(47)	
	Sinyi Real Estate Co., Ltd.	No. 100, Sinyi Rd., Sec. 5, Sinyi District, Taipei City, Taiwan	Development, construction, rental and sale of residential building and factories	800	500	80,000	100	287	(47)	(47)	

(Continued)

Investor Company	Investee Company	Location	Main Businesses and Products	Investment Amount		Balance as of December 31, 2021			Net Income (Loss) of the Investee	Investment Income (Loss) Recognized	Note
				Ending Balance	Beginning Balance	Shares	Percentage of Ownership (%)	Carrying Value			
SIN CHIUN HOLDING SDN. BHD.	FIDELITY PROPERTY CONSULTANT SDN. BHD.	Suite 9-13A, Level 9, Wisma Uoa II, Jalan Pinang, 50450 Kuala Lumpur, Malaysia	Management and identification	\$ 39,987	\$ 33,465	5,443,949	49	\$ 6,954	\$ (10,064)	\$ (4,931)	
	PEGUSUS HOLDING SDN. BHD.	Suite 9-13A, Level 9, Wisma Uoa II, Jalan Pinang, 50450 Kuala Lumpur, Malaysia	Investment holding	42,160	35,372	5,471,100	100	7,387	(5,234)	(5,234)	
PEGUSUS HOLDING SDN. BHD.	FIDELITY PROPERTY CONSULTANT SDN. BHD.	Suite 9-13A, Level 9, Wisma Uoa II, Jalan Pinang, 50450 Kuala Lumpur, Malaysia	Management and identification	41,619	34,831	5,661,151	51	7,238	(10,064)	(5,133)	
Yowoo Technology Inc.	Heng-Yi Intelligent Technology Inc.	No. 100, Sinyi Rd., Sec. 5, Sinyi District, Taipei City, Taiwan	Information software, data processing and electronic information providing service	7,000	7,000	300,000	20	1,864	(1,203)	(241)	
	Lin Yue Traffic Inc.	No. 100, Sinyi Rd., Sec. 5, Sinyi District, Taipei City, Taiwan	Manpower dispatch and merchandise delivery	19,300	19,300	2,500,000	100	2,180	(4,492)	(4,492)	
SINJU HOLDINGS SDN. BHD.	SINKANG ADMINISTRATION SDN. BHD.	Unit 20-1, Level 20, Menara Prestige, No.1, Jalan Pinang, 50450 Kuala Lumpur W.P. Kuala Lumpur, Malaysia	Tourism	28,556	15,129	4,000,000	100	15,769	(7,836)	(7,836)	
	SINHONG INTERNATIONAL SDN. BHD.	Unit 20-1, Level 20, Menara Prestige, No.1, Jalan Pinang, 50450 Kuala Lumpur W.P. Kuala Lumpur, Malaysia	Investment holding	-	-	-	-	(63)	(63)	(63)	Note
SINYI MOREFUN TOURISM DEVELOPMENT LTD.	SINYI INFINITE LIMITED	Coastal Building, Wickham's Cay II, P. O. Box 2221, Road Town, Tortola, British Virgin Islands.	Investment holding	3,481	-	3,119	100	3,330	8	8	Note
	SINYI ELITE LIMITED	Coastal Building, Wickham's Cay II, P. O. Box 2221, Road Town, Tortola, British Virgin Islands.	Investment holding	-	-	-	-	-	-	-	Note
	SINYI UNIQUE LIMITED	Coastal Building, Wickham's Cay II, P. O. Box 2221, Road Town, Tortola, British Virgin Islands.	Investment holding	3,481	-	3,119	100	2,302	(1,038)	(1,038)	Note
SINYI INFINITE LIMITED	ZHANSIN TOURISM DEVELOPMENT SDN. BHD.	LOT NO. 62, 2ND FLOOR, BLOCK A BUNDUSAN COMMERCIAL CENTRE 88300 KOTA KINABALU SABAH MALAYSIA	Tourism	3,481	-	500,000	100	3,330	8	8	Note
SINYI ELITE LIMITED	ZHANYI TOURISM DEVELOPMENT SDN. BHD.	LOT NO. 62, 2ND FLOOR, BLOCK A BUNDUSAN COMMERCIAL CENTRE 88300 KOTA KINABALU SABAH MALAYSIA	Tourism	-	-	-	-	-	-	-	Note
SINYI UNIQUE LIMITED	ZHANCHENG TOURISM DEVELOPMENT SDN. BHD.	LOT NO. 62, 2ND FLOOR, BLOCK A BUNDUSAN COMMERCIAL CENTRE 88300 KOTA KINABALU SABAH MALAYSIA Pinang, 50450 Kuala Lumpur W.P. Kuala Lumpur, Malaysia	Tourism	3,481	-	500,000	100	2,302	(1,038)	(1,038)	Note

Note: The Group established the subsidiaries in 2020; as of December 31, 2021, the capital injection had not been completed.

(Concluded)

## SINYI REALTY INC. AND SUBSIDIARIES

INFORMATION ON INVESTMENTS IN MAINLAND CHINA  
FOR THE YEAR ENDED DECEMBER 31, 2021  
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investee Company Name	Main Businesses and Products	Total Amount of Paid-in Capital	Investment Type	Accumulated Outflow of Investment from Taiwan as of January 1, 2021	Investment Flows		Accumulated Outflow of Investment from Taiwan as of December 31, 2021	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Income (Loss) Recognized	Carrying Value as of December 31, 2021 (Note 1)	Accumulated Inward Remittance of Earnings as of December 31, 2021
					Outflow	Inflow						
Ke Wei Shanghai Real Estate Management Consulting Inc.	Real estate brokerage and management consulting	RMB 19,638	Investment in company located in mainland China indirectly through Ke Wei HK Realty Limited	\$ 81,859	\$ -	\$ -	\$ 81,859	\$ (10,096)	100	\$ (10,096)	\$ (17,826)	\$ -
Shanghai Sinyi Real Estate Inc. (Note 2)	Real estate brokerage	RMB 293,632	Investment in company located in mainland China indirectly through Inane International Limited	1,294,418	-	-	1,294,418	(240,153)	100	(240,153)	182,920	-
Beijing Sinyi Real Estate Ltd. (Note 2)	Real estate brokerage	RMB 34,747	Investment in company located in mainland China indirectly through Inane International Limited	149,955	-	-	149,955	2,147	100	2,147	(19,898)	-
Shanghai Zhi Xin allograph Ltd.	Real estate brokerage and management consulting	RMB 11,968	Investment in company located in mainland China indirectly through Inane International Limited	17,095	-	-	17,095	(17,228)	100	(17,228)	2,297	-
Suzhou Sinyi Real Estate Inc. (Note 2)	Real estate brokerage and management consulting	RMB 68,000	Investment in company located in mainland China indirectly through Shanghai Sinyi Real Estate Inc.	22,414	-	-	22,414	(116,555)	100	(116,555)	13,140	-
Cura Investment Management (Shanghai) Co., Ltd. (Note 3)	Real estate fund investment management	RMB 1,636,300	Investment in company located in mainland China indirectly through Shanghai Sinyi Real Estate Inc.	-	-	-	-	-	2	-	122,892	-
Zhejiang Sinyi Real Estate Co., Ltd. (Note 2)	Real estate brokerage and management consulting	RMB 27,200	Investment in company located in mainland China indirectly through Shanghai Sinyi Real Estate Inc.	43,766	-	-	43,766	(10,896)	100	(10,896)	(10,367)	-
Shanghai Shang Tuo Investment Management Consulting Inc.	Real estate brokerage and management consulting	RMB 5,961	Investment in company located in mainland China indirectly through Forever Success International Ltd.	27,432	-	-	27,432	2,469	100	2,469	46,669	-
Chengdu Sinyi Real Estate Co., Ltd. (Note 4)	Real estate brokerage and management consulting	RMB -	Investment in company located in mainland China indirectly through Inane International Limited	62,005	-	-	62,005	-	-	-	-	-
Qingdao Chengjian & Sinyi Real Estate Co., Ltd. (Note 5)	Real estate brokerage and management consulting	RMB -	Investment in company located in mainland China indirectly through Inane International Limited	37,295	-	-	37,295	-	-	-	-	-
Sinyi Real Estate (Shanghai) Limited	Development of commercial and residential building and auxiliary facilities; and construction, rental, sale and property management	RMB 802,513	Investment in company located in mainland China indirectly through Sinyi Real Estate (Hong Kong) Limited	3,868,747	-	-	3,868,747	279,223	100	279,223	5,398,748	1,218,297

(Continued)



Investee Company Name	Main Businesses and Products	Total Amount of Paid-in Capital	Investment Type	Accumulated Outflow of Investment from Taiwan as of January 1, 2021	Investment Flows		Accumulated Outflow of Investment from Taiwan as of December 31, 2021	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Income (Loss) Recognized	Carrying Value as of December 31, 2021 (Note 1)	Accumulated Inward Remittance of Earnings as of December 31, 2021
					Outflow	Inflow						
Hua Yun Renovation (Shanghai) Co., Ltd.	Professional construction, building decoration construction, hard ware, building materials wholesale	RMB 8,000	Investment in company located in mainland China indirectly through Forever Success International Ltd.	\$ 40,465	\$ -	\$ -	\$ 40,465	\$ 48,116	100	\$ 48,116	\$ 125,286	\$ -
Kunshan Dingxian Trading Co., Ltd.	Construction materials, furniture, sanitary ware and ceramic products wholesale	RMB 6,000	Investment in company located in mainland China indirectly through Sinyi Development Ltd.	31,020	-	-	31,020	43,465	100	43,465	206,743	-
Shanghai Chang Yuan Co., Ltd.	Property, business and management consulting	RMB 2,200	Investment in company located in mainland China indirectly through Shanghai Shang Tuo Investment Management Consulting Inc.	-	-	-	-	752	100	752	9,526	-
Jiaying Zhi Zheng Real Estate Marketing Planning Inc.	Real estate marketing planning and management consulting	RMB 100	Investment in company located in mainland China indirectly through Shanghai Sinyi Real Estate Inc.	-	-	-	-	(18)	100	(18)	758	-
Jiu Xin Estate (Wuxi) Limited (Note 2)	Real estate development	US\$ 207,000	Investment in company located in mainland China indirectly through Sinyi Real Estate (Hong Kong) Limited	3,900,696	-	-	3,900,696	194,306	100	194,306	5,874,216	-
Suzhou ZHI XIN Real Estate Co., Ltd.	Real estate brokerage and management consulting	RMB 3,000	Investment in company located in Mainland China indirectly through Shanghai ZHI XIN Allograph Ltd	-	-	-	-	158	100	158	777	-
Lunheng Business Management (Shanghai) Ltd.	Business management consulting, financial advisory and marketing strategy	RMB 311,400	Investment in company located in Mainland China indirectly through Hua Yun Renovation (Shanghai) Co., Ltd.	-	-	-	-	(955)	100	(955)	1,342,580	-
Xin Yeh Business Administration (Shanghai) Ltd.	Development of commercial and residential building and auxiliary facilities; and construction, rental, sale and property management	RMB 400,000	Investment in company located in Mainland China indirectly through Sinyi Real Estate (Shanghai) Limited.	-	-	-	-	17,810	100	17,810	1,785,042	-
Sinyi Real Estate (Wuxi) Limited (Note 3)	Development of commercial and residential building; property management, real estate brokerage, decoration construction and equipment leasing.	RMB -	Investment in company located in Mainland China indirectly through Xin Yeh Business Administration (Shanghai) Ltd.	-	-	-	-	(6,500)	100	(6,500)	(6,752)	-
Taicang Yalong Management Consulting Co., Ltd.	Business management consulting, interior decoration and marketing strategy	RMB 1,000	Investment in company located in Mainland China indirectly through Shanghai Sinyi Real Estate Inc.	-	-	-	-	- (Note 7)	15	- (Note 7)	651	-
Chuzhou Zhi Zheng Real Estate Marketing Planning Inc. (Note 8)	Real estate marketing planning and management consulting	RMB -	Investment in company located in Mainland China indirectly through Shanghai Sinyi Real Estate Inc.	-	-	-	-	-	-	-	-	-

Accumulated Outflow for Investment in Mainland China as of December 31, 2021	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment (Note 6)
\$ 9,577,167	\$ 22,980,668	\$ -

(Continued)

Note 1: The carrying value was converted into New Taiwan dollars at the exchange rates of US\$1=NT\$27.68 and US\$1=RMB6.372 on December 31, 2021.

Note 2: Some of the investments were made indirectly through earnings of the Company's subsidiary in China.

Note 3: Investments were made indirectly through the earnings of the Company's subsidiary in China.

Note 4: The Corporation has been liquidated in June 2019.

Note 5: The Corporation has been liquidated in June 2017.

Note 6: The Company has acquired the certification of operation headquarters issued by the Ministry of Economic Affairs, ROC.

Note 7: Investments in equity instruments at FVTOCI, measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income.

Note 8: The Group established the subsidiaries in 2020; as of December 31, 2021, the capital injection had not been completed.

(Concluded)

**SINYI REALTY INC. AND SUBSIDIARIES****INFORMATION OF MAJOR SHAREHOLDERS  
DECEMBER 31, 2021**

Name of Major Shareholder	Shares	
	Number of Shares	Percentage of Ownership (%)
Sinyi Co., Ltd.	210,238,285	28.53
Yu Hao Co., Ltd.	208,937,108	28.36

Note: The information of major shareholders presented in this table is provided by the Taiwan Depository & Clearing Corporation based on the number of ordinary shares and preferred shares held by shareholders with ownership of 5% or greater, that have been issued without physical registration (including treasury shares) by the Company as of the last business day for the current quarter. The share capital in the consolidated financial statements may differ from the actual number of shares that have been issued without physical registration because of different preparation basis.