

**Sinyi Realty Inc.**

**Financial Statements for the  
Years Ended December 31, 2022 and 2021 and  
Independent Auditors' Report**

## **INDEPENDENT AUDITORS' REPORT**

The Board of Directors and Shareholders  
Sinyi Realty Inc.

### **Opinion**

We have audited the accompanying financial statements of Sinyi Realty Inc. (the "Company"), which comprise the balance sheets as of December 31, 2022 and 2021, and the statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2022 and 2021, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

### **Basis for Opinion**

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the year ended December 31, 2022. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matters of Company's financial statements for the year ended December 31, 2022 are stated as follows:

#### **Evaluation of Profit and Loss Recognition of Investments Accounted for Using the Equity Method - Revenue Earned from Sales of Real Estate**

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

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

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

#### Valuation of Inventories - Investments Accounted for Using the Equity Method

As stated in Note 11 to the accompanying financial statements, as of December 31, 2022, the carrying amount of the investments in Sinyi International Limited ("Sinyi International") and Sinyi Development, which were accounted for using the equity method, was NT\$12,250,247 thousand and NT\$1,638,150 thousand, representing 44% and 6% of the Company's assets, respectively. For the year ended December 31, 2022, the share of profit (loss) of the investments in Sinyi International and Sinyi Development, which were accounted for using the equity method was NT\$238,885 thousand and NT\$97,358 thousand, representing 17% and 7% of the Company's total comprehensive income, respectively. Therefore, the financial position and performance of Sinyi International and Sinyi Development would have a material impact on the Company's financial statements.

As of December 31, 2022, the total carrying amount of inventories of Sinyi International, Sinyi International's subsidiaries, and Sinyi Development were NT\$9,928,737 thousand. Due to changes in the overall economic environment and related business regulations, the Company had to take into consideration reasonable estimates of the future selling price and additional costs as well as changes in the economy, when assessing during the assessment of the net realizable value of inventories, to determine whether the valuation of inventories is appropriate. Since the carrying amount of inventory was considered significant to the financial statements and the valuation of the net realizable value of inventories is subject to management's significant judgment, the valuation of inventory has been identified as a key audit matter.

We focused on the valuation of inventories at the balance sheet date. We selected samples from the inventory balance, and assessed and tested the net realizable value of inventories estimated by the management as well as the reasonableness of the key parameters used in the valuation. The procedures included but were not limited to the following: We inspected the latest actual transaction price or market transaction price of similar real estate, and determined that the net realizable value of inventories was not lower than the carrying amount through recalculations. We verified the accuracy of the valuation of inventories by inspecting the selected samples and re-performed the calculation procedures.

Refer to Note 4 to the consolidated financial statements for the accounting policies related to the valuation of inventories, Note 5 for the description of critical accounting judgments and key sources of estimation uncertainty, and Note 10 for the related presentation and disclosures.

## **Responsibilities of Management and Those Charged with Governance for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free of material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, including the audit committee, are responsible for overseeing the Company's financial reporting process.

## **Auditors' Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain a reasonable assurance about whether the financial statements as a whole are free of material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision, and performance of the company audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements for the year ended December 31, 2022 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audits resulting in this independent auditors' report are Pan-Fa Wang and Chin-Chuan Shih.

Deloitte & Touche  
Taipei, Taiwan  
Republic of China

February 22, 2023

#### Notice to Readers

*The accompanying financial statements are intended only to present the financial position, financial performance and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such financial statements are those generally applied in the Republic of China.*

*For the convenience of readers, the independent auditors' report and the accompanying financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and financial statements shall prevail.*

**SINYI REALTY INC.**

**BALANCE SHEETS**  
**DECEMBER 31, 2022 AND 2021**  
(In Thousands of New Taiwan Dollars)

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

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

## SINYI REALTY INC.

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

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

(Continued)

# SINYI REALTY INC.

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

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

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

(Concluded)



**SINYI REALTY INC.**

**STATEMENTS OF CHANGES IN EQUITY  
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021  
(In Thousands of New Taiwan Dollars)**

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

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

# SINYI REALTY INC.

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

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

(Continued)

# SINYI REALTY INC.

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

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

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

(Concluded)

# SINYI REALTY INC.

## NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2022 AND 2021

(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 is engaged 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.

In August 1999, the Securities and Futures Bureau (SFB) approved the trading of the Company’s ordinary shares on the Taipei Exchange (TPEX) in the ROC. In September 2001, the SFB approved the Company’s application for shifting its shares listing on TPEX to the Taiwan Stock Exchange (TWSE).

The financial statements are presented in New Taiwan dollars, the functional currency of the Company.

### 2. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved by the Audit Committee and board of directors and authorized for issue on February 22, 2023.

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

- a. Initial application of the amendments to the Regulations Governing the Preparation of 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 Company’s accounting policies.

- b. New IFRSs to be endorsed by the FSC for application starting from 2023.

New IFRSs	Effective Date Announced by IASB
Amendments to IAS 1 “Disclosure of Accounting Policies”	January 1, 2023 (Note 1)
Amendments to IAS 8 “Definition of Accounting Estimates”	January 1, 2023 (Note 2)
Amendments to IAS 12 “Deferred Tax related to Assets and Liabilities arising from a Single Transaction”	January 1, 2023 (Note 3)

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

Note 2: 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 3: 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 financial statements were authorized for issue, the Company assesses that the application of above standards and interpretations will not impact the Company's financial position 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
Amendments to IFRS 16 "Lease Liability in a Sale and Leaseback"	January 1, 2024 (Note 2)
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, 2024
Amendments to IAS 1 "Non-current Liabilities with Covenants"	January 1, 2024

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

Note 2: A seller-lessee shall apply the Amendments to IFRS 16 retrospectively to sale and leaseback transactions entered into after the date of initial application of IFRS 16.

As of the date the financial statements were authorized for issue, the Company is continuously assessing the possible impact that the application of above standards and interpretations will have on the Company'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 financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

- b. Basis of preparation

The 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.

When preparing its financial statements, the Company used the equity method to account for its investments in subsidiaries and associates. In order for the amounts of the net profit for the year, other comprehensive income for the year and total equity in the financial statements to be the same with the amounts attributable to the owners of the Company in its consolidated financial statements, adjustments arising from the differences in accounting treatment are made to investments accounted for using the equity method, share of profit or loss of subsidiaries, associates and joint ventures as appropriate, in the financial statements.

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 financial statements are authorized for issue; and
- Liabilities for which the Company 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.

d. 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.

e. Foreign currencies

In preparing the financial statements of the Company, transactions in currencies other than the Company'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 that are measured at historical cost in a foreign currency are not retranslated.

For the purpose of presenting the financial statements, the assets and liabilities of the Company's foreign operations (including the subsidiaries and associates operating in other countries or those that use currencies that are different from the Company) are translated into the New Taiwan dollar using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the year. Exchange differences are recognized in other comprehensive income.

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.

f. Investments accounted for using the equity method

Investments in subsidiaries and associates are accounted for by using the equity method.

1) Investments in subsidiaries

Subsidiaries are the entities controlled by the Company.

Under the equity method, the investment is initially recognized at cost and the carrying amount is increased or decreased to recognize the Company's share of the profit or loss and other comprehensive income of the subsidiary after the date of acquisition. Besides, the Company also recognizes the Company's share of the change in other equity of the subsidiary.

Changes in the Company's ownership interests in subsidiaries that do not result in the Company's loss of control over the subsidiaries are accounted for as equity transactions. Any difference between the carrying amount of the investment and the fair value of the consideration paid or received is recognized directly in equity.

When the Company's share of losses of a subsidiary equals or exceeds its interest in that subsidiary (which includes any carrying amount of the investment in subsidiary accounted for using the equity method and long-term interests that, in substance, form part of the Company's net investment in the subsidiary), the Company continues to recognize its share of further losses.

The acquisition cost in excess of the acquisition-date fair value of the identifiable net assets acquired is recognized as goodwill. Goodwill is not amortized. The acquisition-date fair value of the net identifiable assets acquired in excess of the acquisition cost is recognized immediately in profit or loss.

The Company assesses its investment for any impairment by comparing the carrying amount with the estimated recoverable amount as assessed based on the financial statements of the invested company as a whole. Impairment loss is recognized when the carrying amount exceeds the recoverable amount. If the recoverable amount of the investment subsequently increases, the Company recognizes a reversal of the impairment loss; the adjusted post-reversal carrying amount should not exceed the carrying amount that would have been recognized (net of amortization or depreciation) had no impairment loss been recognized in prior years. An impairment loss recognized on goodwill cannot be reversed in a subsequent period.

When the Company ceases to have control over a subsidiary, any retained investment is measured at fair value at that date and the difference between the previous carrying amount of the subsidiary attributable to the retained interest and its fair value is included in the determination of the gain or loss. Furthermore, the Company accounts for all amounts previously recognized in other comprehensive income in relation to that subsidiary on the same basis as would be required if the Company had directly disposed of the related assets or liabilities.

Profits and losses from downstream transactions with a subsidiary are eliminated in full. Profits and losses from upstream transactions with a subsidiary and transactions between subsidiaries are recognized in the Company's financial statements only to the extent of interests in the subsidiary that are not related to the Company.

## 2) Investments in associates

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

The Company 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 Company's share of the profit or loss and other comprehensive income of the associate. The Company also recognizes the changes in the Company's share of equity of associates attributable to the Company.

Any excess of the cost of acquisition over the Company'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 Company'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 Company subscribes for additional new shares of the associate at a percentage different from its existing ownership percentage, the resulting carrying amount of the investment differs from the amount of the Company's proportionate interest in the associate. The Company records such a difference as an adjustment to investments with the corresponding amount charged or credited to capital surplus. If the Company's ownership interest is reduced due to the additional subscription of new shares of the associate, the proportionate amount of the gains or losses previously recognized in other comprehensive income in relation to that associate 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.



g. 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.

h. 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.

i. 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.

- j. Impairment of property, plant and equipment, right-of-use assets, investment properties and intangible assets other than goodwill and assets related to contract costs

At the end of each reporting period, the Company reviews the carrying amounts of its property, plant and equipment, right-of-use assets, investment properties 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 Company 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.

When an impairment loss is subsequently reversed, the carrying amount of the corresponding asset or cash-generating unit 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.

- k. Financial instruments

Financial assets and financial liabilities are recognized when the Company 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 FVTPL

Financial assets are classified as at FVTPL when such financial assets are mandatorily classified as at FVTPL.

Financial assets mandatorily classified as at FVTPL include investments in equity instruments which are not designated as at FVTOCI.

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 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 28.

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 (including related parties) at amortized cost, other receivables (including related parties), other financial assets 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 Company 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 Company'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 Company recognizes a loss allowance for expected credit losses on financial assets at amortized cost (including trade receivables).

The Company always recognizes lifetime expected credit loss (ECL) for trade receivables. For all other financial instruments, the Company 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 Company 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 Company 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 Company 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.

## l. 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.

## m. Revenue recognition

The Company 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 are real estate brokerage and agency sale business and will be recognized when performance obligations are completed.

## n. Leasing

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

### 1) The Company 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 Company 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 Company as lessee

The Company 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 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 Company 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 Company 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 balance sheets.

The Company entered into a rent concession with the lessor as a direct consequence of the Covid-19 to change the lease payments originally due by June 30, 2022, and no material change in other lease terms and conditions. The Company 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 Company 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.

o. 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 liability (asset) represents the actual deficit (surplus) in the Company'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.

### p. 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 in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences, unused loss carryforwards and unused tax credits for purchases of machinery, equipment and technology, research and development expenditures, and personnel training expenditures to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

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.

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 Company 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 Company'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 Company 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

#### Impairment of property, plant and equipment, investment property and right-of-use assets

Impairment of property, plant and equipment, investment property and right-of-use assets 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 or future cash flows will affect the recoverable amount of the equipment and may lead to the recognition of additional impairment losses or the reversal of impairment losses.

## 6. CASH AND CASH EQUIVALENTS

	<u>December 31</u>	
	<b>2022</b>	<b>2021</b>
Cash on hand	\$ 15,528	\$ 21,325
Checking accounts and demand deposits	536,366	609,563
Cash equivalents		
Time deposits with original maturities of three months or less	<u>50,000</u>	<u>27,680</u>
	<u>\$ 601,894</u>	<u>\$ 658,568</u>

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

	<u>December 31</u>	
	<b>2022</b>	<b>2021</b>
Interest rates range	0%-0.46%	0%-0.20%



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

	<u>December 31</u>	
	2022	2021
Financial assets mandatorily classified as at FVTPL		
Non-derivative financial assets		
Domestic investments unlisted shares	\$ <u>2,500</u>	\$ <u>-</u>

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

### Investment in Equity Instruments at FVTOCI

	<u>December 31</u>	
	2022	2021
<u>Current</u>		
Domestic investments		
Listed shares	\$ <u>109,723</u>	\$ <u>119,892</u>
<u>Non-current</u>		
Domestic investments		
Unlisted shares	\$ <u>105,404</u>	\$ <u>111,183</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 Company's strategy of holding these investments for long-term purposes.

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

	<u>December 31</u>	
	2022	2021
<u>Notes receivable</u>		
Operating-gross carrying amount	\$ <u>64,802</u>	\$ <u>96,745</u>
<u>Trade receivables</u>		
At amortized cost		
Gross carrying amount	\$ 635,066	\$ 949,819
Less: Allowance for impairment loss	<u>(702)</u>	<u>(502)</u>
	\$ <u>634,364</u>	\$ <u>949,317</u>
<u>Other receivables</u>		
Interest receivables	\$ 16	\$ 43
Others	33,378	26,320
Less: Allowance for impairment loss	<u>(2,848)</u>	<u>(2,848)</u>
	\$ <u>30,546</u>	\$ <u>23,515</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 Company collected the receivables for providing real estate agent 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 Company 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 Company's exposure and the credit conditions of its counterparties are continuously monitored.

The Company 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 Company'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 Company's different customer base.

The Company 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 Company 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 Company's provision matrix.

December 31, 2022

	Less than 60 Days	61 to 90 Days	91 to 180 Days	181 to 360 Days	Over 361 Days	Total
Expected credit loss rate (Note 1)	0%	0%	0%-0.3%	0%-5%	0%-25%	
Gross carrying amount	\$ 565,460	\$ 54,580	\$ 50,480	\$ 25,739	\$ 9,713	\$ 705,972
Refund liabilities (Note 2)	(26,354)	(3,909)	(3,733)	(2,226)	(6,104)	(42,326)
Loss allowance (Lifetime ECL)	-	-	(44)	(200)	(458)	(702)
Amortized cost	<u>\$ 539,106</u>	<u>\$ 50,671</u>	<u>\$ 46,703</u>	<u>\$ 23,313</u>	<u>\$ 3,151</u>	<u>\$ 662,944</u>

December 31, 2021

	Less than 60 Days	61 to 90 Days	91 to 180 Days	181 to 360 Days	Over 361 Days	Total
Expected credit loss rate (Note 1)	0%	0%	0%-0.22%	0%-8.4%	0%-29%	
Gross carrying amount	\$ 927,742	\$ 38,867	\$ 55,484	\$ 19,202	\$ 9,672	\$ 1,050,967
Refund liabilities (Note 2)	(54,815)	(2,265)	(3,382)	(1,726)	(4,403)	(66,591)
Loss allowance (Lifetime ECL)	-	-	(82)	(281)	(139)	(502)
Amortized cost	<u>\$ 872,927</u>	<u>\$ 36,602</u>	<u>\$ 52,020</u>	<u>\$ 17,195</u>	<u>\$ 5,130</u>	<u>\$ 983,874</u>

Note 1: Refund liabilities were not included.

Note 2: Refund liabilities were recognized under other current liabilities and other non-current liabilities.

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

	<u>2022</u>	
	<b>Trade Receivables</b>	<b>Other Receivables</b>
Balance at January 1, 2022	\$ 502	\$ 2,848
Add: Net remeasurement of loss allowance	<u>200</u>	<u>-</u>
Balance at December 31, 2022	<u>\$ 702</u>	<u>\$ 2,848</u>
	<u>2021</u>	
	<b>Trade Receivables</b>	<b>Other Receivables</b>
Balance at January 1, 2021	\$ 682	\$ 5,268
Less: Net remeasurement of loss allowance	<u>(180)</u>	<u>(2,420)</u>
Balance at December 31, 2021	<u>\$ 502</u>	<u>\$ 2,848</u>

b. Other receivables

Other receivables were the payments made on behalf of others and rental receivables.

## 10. OTHER FINANCIAL ASSETS

	<u>December 31</u>	
	<b>2022</b>	<b>2021</b>
Restricted assets	<u>\$ 5,000</u>	<u>\$ 5,000</u>

Restricted assets is the operating guarantee for real-estate brokerage. Refer to Note 30.

The interest rate of restricted assets was as follows:

	<u>December 31</u>	
	<b>2022</b>	<b>2021</b>
Restricted assets	1.435%	0.81%

## 11. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	<u>December 31</u>	
	<b>2022</b>	<b>2021</b>
Investments in subsidiaries	\$ 16,004,369	\$ 15,568,129
Investments in associates	<u>65,434</u>	<u>51,622</u>
	<u>\$ 16,069,803</u>	<u>\$ 15,619,751</u>

a. Investments in subsidiaries

	<b>December 31</b>	
	<b>2022</b>	<b>2021</b>
Sinyi International Limited	\$ 12,250,247	\$ 11,752,222
Sinyi Limited	187,876	476,798
Sinyi Development Inc.	1,638,150	1,540,792
Sinyi Global Asset Management Co., Ltd.	113,328	119,799
Heng-Yi Intelligent Technology Inc.	6,664	7,455
Jui-Inn Consultants Co., Ltd.	781	815
Sinyi Culture Publishing Inc.	1,731	2,334
An-Sin Real Estate Management Ltd.	131,748	135,717
Yowoo Technology Inc.	5,695	5,648
Sin Chiun Holding Sdn. Bhd.	1,524,059	1,490,001
Sinyi Real Estate Consulting Limited	-	(11,134)
Sinju Holding Sdn. Bhd.	32,759	16,444
Sinyi Morefun Tourism Development Ltd.	63,715	15,607
Jin Mei Travel Service Co., Ltd.	3,759	4,497
Sinkang Administration Sdn. Bhd.	25,669	-
Zhansin Tourism Development Sdn. Bhd.	3,429	-
Zhancheng Tourism Development Sdn. Bhd.	<u>14,759</u>	<u>-</u>
	16,004,369	15,556,995
Add: Credit balance of investments accounted for using the equity method classified as non-current liabilities (Note 19)	<u>-</u>	<u>11,134</u>
	<u>\$ 16,004,369</u>	<u>\$ 15,568,129</u>

At the end of the reporting period, the proportion of ownership and voting rights in subsidiaries held by the Company was as follows:

<b>Company Name</b>	<b>December 31</b>	
	<b>2022</b>	<b>2021</b>
Sinyi International Limited	100%	100%
Sinyi Limited	100%	100%
Sinyi Development Inc.	100%	100%
Sinyi Global Asset Management Co., Ltd.	100%	100%
Heng-Yi Intelligent Technology Inc.	80%	80%
Jui-Inn Consultants Co., Ltd.	100%	100%
Sinyi Culture Publishing Inc.	99%	99%
An-Sin Real Estate Management Ltd.	51%	51%
Yowoo Technology Inc.	100%	100%
Sin Chiun Holding Sdn. Bhd.	100%	100%
Sinyi Real Estate Consulting Limited	-	100%
Sinju Holding Sdn. Bhd.	100%	100%
Sinyi Morefun Tourism Development Ltd.	100%	100%
Jin Mei Travel Service Co., Ltd.	100%	100%
Sinkang Administration Sdn. Bhd.	100%	-
Zhansin Tourism Development Sdn. Bhd.	100%	-
Zhancheng Tourism Development Sdn. Bhd.	100%	-

Refer to Note 33 for the details of subsidiaries indirectly held by the Company.

Refer to Note 12 to the consolidated financial statements for the year ended December 31, 2022 for changes of the proportion of ownership and voting rights in subsidiaries held by the Company.

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. Refer to Note 23.

The board of directors of the Company and Sinyi Real Estate Consulting Limited resolved to merge on March 31, 2022, and the consolidated base date was August 31, 2022. The Company was the surviving company while Sinyi Real Estate Consulting Limited was the dissolved company.

The investments in subsidiaries accounted for using the equity method and the share of profit or loss and other comprehensive income of those investments for the years ended December 31, 2022 and 2021 were based on the subsidiaries' audited financial statements for the same years.

b. Investments in associates

	<u>December 31</u>	
	<b>2022</b>	<b>2021</b>
Associates that are not individually material		
Sinyi Interior Design Co., Ltd.	\$ 16,213	\$ 18,481
Rakuya International Info. Co., Ltd.	<u>49,221</u>	<u>33,141</u>
	<u>\$ 65,434</u>	<u>\$ 51,622</u>

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

	<u>December 31</u>	
<b>Name of Associate</b>	<b>2022</b>	<b>2021</b>
Sinyi Interior Design Co., Ltd.	19%	19%
Rakuya International Info. Co., Ltd.	23%	23%

The summarized financial information in respect of the Company's associates that are not individually material is set out below.

	<u>For the Year Ended December 31</u>	
	<b>2022</b>	<b>2021</b>
The Company's shares		
Net income for continuing operations	\$ 16,896	\$ 11,277
Other comprehensive (loss) income	<u>(2,587)</u>	<u>2,740</u>
Total comprehensive income for the year	<u>\$ 14,309</u>	<u>\$ 14,017</u>

Even with less than 20% of the voting rights of Sinyi Interior Design Co., Ltd., the Company 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, 2022 and 2021 were based on unaudited financial statements. The Company'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.

## 12. PROPERTY, PLANT AND EQUIPMENT

	Freehold Land	Buildings	Transportation Equipment	Office Equipment	Leasehold Improvements	Other Equipment	Construction in Progress and Prepayments for Equipment	Total
<u>Cost</u>								
Balance at January 1, 2022	\$ 2,404,500	\$ 376,604	\$ 1,958	\$ 375,319	\$ 557,744	\$ 108,393	\$ 4,580	\$ 3,829,098
Additions	-	-	-	35,116	47,029	3,491	35,652	121,288
Disposals	-	-	-	(10,145)	(25,964)	-	-	(36,109)
Acquisitions through business combinations	-	-	-	2,078	1,775	-	-	3,853
Transferred from investment properties	381,158	56,661	-	-	-	-	-	437,819
Transferred to investment properties	-	-	-	-	-	-	(7,124)	(7,124)
Reclassification	-	-	-	-	3,872	160	(4,032)	-
Balance at December 31, 2022	<u>\$ 2,785,658</u>	<u>\$ 433,265</u>	<u>\$ 1,958</u>	<u>\$ 402,368</u>	<u>\$ 584,456</u>	<u>\$ 112,044</u>	<u>\$ 29,076</u>	<u>\$ 4,348,825</u>
<u>Accumulated depreciation</u>								
Balance at January 1, 2022	\$ -	\$ 145,690	\$ 1,833	\$ 290,868	\$ 432,607	\$ 89,917	\$ -	\$ 960,915
Depreciation expense	-	10,401	125	29,755	44,048	5,687	-	90,016
Disposals	-	-	-	(10,003)	(23,702)	-	-	(33,705)
Acquisitions through business combinations	-	-	-	975	1,209	-	-	2,184
Transferred from investment properties	-	21,829	-	-	-	-	-	21,829
Balance at December 31, 2022	<u>\$ -</u>	<u>\$ 177,920</u>	<u>\$ 1,958</u>	<u>\$ 311,595</u>	<u>\$ 454,162</u>	<u>\$ 95,604</u>	<u>\$ -</u>	<u>\$ 1,041,239</u>
Net carrying amount at December 31, 2022	<u>\$ 2,785,658</u>	<u>\$ 255,345</u>	<u>\$ -</u>	<u>\$ 90,773</u>	<u>\$ 130,294</u>	<u>\$ 16,440</u>	<u>\$ 29,076</u>	<u>\$ 3,307,586</u>
<u>Cost</u>								
Balance at January 1, 2021	\$ 2,418,960	\$ 378,754	\$ 1,958	\$ 360,105	\$ 516,091	\$ 101,026	\$ 1,029	\$ 3,777,923
Additions	-	-	-	34,742	54,372	6,338	6,485	101,937
Disposals	-	-	-	(19,528)	(12,719)	-	(1,905)	(34,152)
Transferred to investment properties	(14,460)	(2,150)	-	-	-	-	-	(16,610)
Reclassification	-	-	-	-	-	1,029	(1,029)	-
Balance at December 31, 2021	<u>\$ 2,404,500</u>	<u>\$ 376,604</u>	<u>\$ 1,958</u>	<u>\$ 375,319</u>	<u>\$ 557,744</u>	<u>\$ 108,393</u>	<u>\$ 4,580</u>	<u>\$ 3,829,098</u>
<u>Accumulated depreciation</u>								
Balance at January 1, 2021	\$ -	\$ 136,821	\$ 1,708	\$ 283,635	\$ 407,918	\$ 84,451	\$ -	\$ 914,533
Depreciation expense	-	9,654	125	26,602	37,086	5,466	-	78,933
Disposals	-	-	-	(19,369)	(12,397)	-	-	(31,766)
Transferred to investment properties	-	(785)	-	-	-	-	-	(785)
Balance at December 31, 2021	<u>\$ -</u>	<u>\$ 145,690</u>	<u>\$ 1,833</u>	<u>\$ 290,868</u>	<u>\$ 432,607</u>	<u>\$ 89,917</u>	<u>\$ -</u>	<u>\$ 960,915</u>
Net carrying amount at December 31, 2021	<u>\$ 2,404,500</u>	<u>\$ 230,914</u>	<u>\$ 125</u>	<u>\$ 84,451</u>	<u>\$ 125,137</u>	<u>\$ 18,476</u>	<u>\$ 4,580</u>	<u>\$ 2,868,183</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	6 years
Office equipment	3-6 years
Leased assets	3-5 years
Other equipment	3-15 years

- There was no interest capitalized during the years ended December 31, 2022 and 2021.
- Refer to Note 30 for the details of property, plant and equipment pledged as collateral.

### 13. LEASE ARRANGEMENTS

a. Right-of-use assets

	<u>December 31</u>	
	<u>2022</u>	<u>2021</u>
<u>Carrying amounts</u>		
Buildings	\$ 2,937,871	\$ 2,863,759
Office equipment	1,254	1,774
Transportation equipment	2,362	1,731
Other equipment	<u>7,049</u>	<u>9,303</u>
	<u>\$ 2,948,536</u>	<u>\$ 2,876,567</u>
	<u>For the Year Ended December 31</u>	
	<u>2022</u>	<u>2021</u>
Additions to right-of-use assets	<u>\$ 550,029</u>	<u>\$ 551,851</u>
Depreciation charge for right-of-use assets		
Buildings	\$ 455,677	\$ 435,050
Office equipment	520	519
Transportation equipment	1,684	1,298
Other equipment	<u>2,476</u>	<u>6,852</u>
	<u>\$ 460,357</u>	<u>\$ 443,719</u>

b. Lease liabilities

	<u>December 31</u>	
	<u>2022</u>	<u>2021</u>
<u>Carrying amounts</u>		
Current	<u>\$ 465,160</u>	<u>\$ 438,987</u>
Non-current	<u>\$ 2,538,098</u>	<u>\$ 2,479,167</u>

Range of discount rate for lease liabilities was as follows:

	<u>December 31</u>	
	<u>2022</u>	<u>2021</u>
Buildings	0.93%-1.62%	0.94%-1.29%
Office equipment	1.20%-1.29%	1.20%-1.29%
Transportation equipment	1.20%-1.28%	1.20%
Other equipment	0.93%-1.62%	0.94%-1.29%

c. Material leasing activities and terms

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

d. Other lease information

Lease arrangements under operating leases for the leasing out of freehold investment properties are set out in Note 14.

	<b>For the Year Ended December 31</b>	
	<b>2022</b>	<b>2021</b>
Expenses relating to short-term and low-value asset leases	<u>\$ 17,583</u>	<u>\$ 21,709</u>
Total cash outflow for leases	<u>\$ 497,691</u>	<u>\$ 484,353</u>

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

#### 14. INVESTMENT PROPERTIES

	<b>For the Year Ended December 31, 2022</b>		
	<b>Land</b>	<b>Buildings</b>	<b>Total</b>
<u>Cost</u>			
Balance at January 1, 2022	\$ 2,297,697	\$ 382,539	\$ 2,680,236
Additions	54,659	2,221	56,880
Disposals	(1,037)	(163)	(1,200)
Transferred to property, plant and equipment	(381,158)	(56,661)	(437,819)
Transferred from property, plant and equipment	<u>-</u>	<u>7,124</u>	<u>7,124</u>
Balance at December 31, 2022	<u>\$ 1,970,161</u>	<u>\$ 335,060</u>	<u>\$ 2,305,221</u>
<u>Accumulated depreciation and impairment</u>			
Balance at January 1, 2022	\$ 8,480	\$ 148,663	\$ 157,143
Depreciation expense	-	8,524	8,524
Impairment loss	10,050	410	10,460
Disposals	(207)	(49)	(256)
Transferred to property, plant and equipment	<u>-</u>	<u>(21,829)</u>	<u>(21,829)</u>
Balance at December 31, 2022	<u>\$ 18,323</u>	<u>\$ 135,719</u>	<u>\$ 154,042</u>
Net carrying amount at December 31, 2022	<u>\$ 1,951,838</u>	<u>\$ 199,341</u>	<u>\$ 2,151,179</u>
	<b>For the Year Ended December 31, 2021</b>		
	<b>Land</b>	<b>Buildings</b>	<b>Total</b>
<u>Cost</u>			
Balance at January 1, 2021	\$ 2,321,204	\$ 382,089	\$ 2,703,293
Additions	31,428	772	32,200
Disposals	(69,395)	(2,472)	(71,867)
Transferred from property, plant and equipment	<u>14,460</u>	<u>2,150</u>	<u>16,610</u>
Balance at December 31, 2021	<u>\$ 2,297,697</u>	<u>\$ 382,539</u>	<u>\$ 2,680,236</u>

(Continued)



	<b>For the Year Ended December 31, 2021</b>		
	<b>Land</b>	<b>Buildings</b>	<b>Total</b>
<u>Accumulated depreciation and impairment</u>			
Balance at January 1, 2021	\$ 16,074	\$ 138,898	\$ 154,972
Depreciation expense	-	9,375	9,375
Impairment loss	6,286	154	6,440
Disposals	(13,880)	(549)	(14,429)
Transferred from property, plant and equipment	<u>-</u>	<u>785</u>	<u>785</u>
Balance at December 31, 2021	<u>\$ 8,480</u>	<u>\$ 148,663</u>	<u>\$ 157,143</u>
Net carrying amount at December 31, 2021	<u>\$ 2,289,217</u>	<u>\$ 233,876</u>	<u>\$ 2,523,093</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 payments receivable under operating leases of investment properties as of December 31, 2022 and 2021 was as follows:

	<b>December 31</b>	
	<b>2022</b>	<b>2021</b>
Year 1	\$ 99,022	\$ 118,039
Year 2	88,051	108,217
Year 3	40,385	94,538
Year 4	393	47,617
Year 5	119	310
Year 6 onwards	<u>114</u>	<u>5</u>
	<u>\$ 228,084</u>	<u>\$ 368,726</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 Company's investment properties as of December 31, 2022 and 2021 was \$4,496,359 thousand and \$4,031,680 thousand, respectively. Besides, the total fair value of the Company's freehold land and buildings as of December 31, 2022 and 2021 was \$6,716,336 thousand and \$5,268,077 thousand, respectively. The fair value was determined by the management of the Company 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 Company assessed that for part of the investment properties, the recoverable amount is less than the carrying amount; and recognized an impairment loss of \$10,460 thousand and \$6,440 thousand, classified as other gains and losses in 2022 and 2021, respectively.

All of the Company's investment properties were held under freehold interests. The carrying amount of the investment properties that had been pledged by the Company to secure borrowings is disclosed in Note 30.

## 15. INTANGIBLE ASSETS

	<u>December 31</u>	
	<b>2022</b>	<b>2021</b>
System software costs	<u>\$ 36,794</u>	<u>\$ 49,217</u>
	<b>For the Year Ended December 31</b>	
	<b>2022</b>	<b>2021</b>
<u>Cost</u>		
Balance at beginning of year	\$ 305,342	\$ 271,492
Additions	12,985	33,850
Acquisitions through business combinations	597	-
Disposals	<u>(144)</u>	<u>-</u>
Balance at end of year	<u>\$ 318,780</u>	<u>\$ 305,342</u>
<u>Accumulated amortization</u>		
Balance at beginning of year	\$ 256,125	\$ 232,644
Amortization expense	26,005	23,481
Disposals	<u>(144)</u>	<u>-</u>
Balance at end of year	<u>\$ 281,986</u>	<u>\$ 256,125</u>
Net carrying amount at end of year	<u>\$ 36,794</u>	<u>\$ 49,217</u>

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

System software costs	2-5 years
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## 16. OTHER ASSETS

	<u>December 31</u>	
	<b>2022</b>	<b>2021</b>
Prepaid expenses	\$ 20,431	\$ 23,681
Overdue receivables	6,104	4,403
Temporary payments	60	26
Others	<u>-</u>	<u>1,890</u>
	<u>\$ 26,595</u>	<u>\$ 30,000</u>
Current	\$ 20,491	\$ 23,707
Non-current	<u>6,104</u>	<u>6,293</u>
	<u>\$ 26,595</u>	<u>\$ 30,000</u>

## 17. BORROWINGS

### Long-term borrowings

	<u>December 31</u>	
	<u>2022</u>	<u>2021</u>
<u>Secured borrowings</u>		
Bank loans	\$ 2,100,000	\$ 400,000
<u>Unsecured borrowings</u>		
Line of credit borrowings	1,400,000	450,000
Long-term commercial papers	300,000	300,000
Less: Discount on long-term commercial paper	<u>(69)</u>	<u>(186)</u>
Long-term borrowings	<u>\$ 3,799,931</u>	<u>\$ 1,149,814</u>

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

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

### December 31, 2022

<b>Acceptance Agency</b>	<b>Face Value</b>	<b>Discount Amount</b>	<b>Book Value</b>	<b>Interest Rate Range</b>	<b>Collateral</b>
International Bills					
Finance Corporation	\$ 150,000	\$ (34)	\$ 149,966	0.928%	-
China Bills Finance Corporation	<u>150,000</u>	<u>(35)</u>	<u>149,965</u>	0.938%	-
	<u>\$ 300,000</u>	<u>\$ (69)</u>	<u>\$ 299,931</u>		

### December 31, 2021

<b>Acceptance Agency</b>	<b>Face Value</b>	<b>Discount Amount</b>	<b>Book Value</b>	<b>Interest Rate Range</b>	<b>Collateral</b>
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:

		<b>December 31</b>	
		<b>2022</b>	<b>2021</b>
	<b>Details of Borrowings</b>		
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.	\$ 1,100,000	\$ 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. Principal is repaid at maturity. The Company repaid all the debts in September 2022.	-	300,000
Bank of East Asia	Credit facility: \$1,600,000 thousand. Period: September 21, 2022 to September 20, 2025. Revolving credit line and interest is paid monthly. Principal is repaid at maturity.	1,000,000	-
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. Principal is repaid at maturity. The Company repaid all the debts in March 2022.	-	300,000
DBS Bank	Credit facility: \$200,000 thousand and US\$40,000 thousand. Period: January 21, 2022 to January 21, 2024. Interest is paid monthly and principal is repaid at maturity.	500,000	-
Taiwan Cooperative Bank	Credit facility: \$500,000 thousand. Period: July 22, 2022 to July 22, 2024. Interest is paid monthly and principal is repaid at maturity.	300,000	-
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. The Company repaid all the debts in April 2022.	-	150,000
Bank of Taiwan	Credit facility: \$200,000 thousand. Period: March 11, 2022 to March 11, 2024. Interest is paid monthly and principal is repaid at maturity.	100,000	-
Mega Bank	Credit facility: \$500,000 thousand. Period: September 28, 2022 to September 28, 2025. Interest is paid monthly and principal is repaid at maturity.	500,000	-
Total long-term borrowings		<u>\$ 3,500,000</u>	<u>\$ 850,000</u>

Refer to Note 30 for the details of assets pledged as collateral for long-term borrowings.

As of December 31, 2022 and 2021, the effective interest rates of the company's long-term credit borrowings were 1.451%-1.905% and 0.88%-0.92%, respectively, and those of the company's long-term secured borrowings were 1.48%-1.7488% and 0.90%-0.93%, respectively.

## 18. BONDS PAYABLE

	<u>December 31</u>	
	2022	2021
Domestic unsecured bonds	\$ 4,600,000	\$ 4,600,000
Less: Current portion	<u>(3,700,000)</u>	<u>-</u>
	<u>\$ 900,000</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 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.

## 19. OTHER LIABILITIES

	<u>December 31</u>	
	2022	2021
<u>Current</u>		
Other payables	\$ 2,383,867	\$ 3,107,737
Other liabilities	<u>138,256</u>	<u>237,478</u>
	<u>\$ 2,522,123</u>	<u>\$ 3,345,215</u>
<u>Non-current</u>		
Other liabilities	<u>\$ 1,050,129</u>	<u>\$ 1,225,717</u>

a. Other payables were as follows:

	<u>December 31</u>	
	2022	2021
<u>Other payables - accrued expenses</u>		
Payables for performance bonus and salaries	\$ 1,745,030	\$ 2,451,984
Payables for annual leave	146,168	153,379
Advertisement payable	113,593	102,163
Payables for labor and health insurance	89,286	114,636
Interest payables	36,865	23,537
Payables for employees bonuses and remuneration of directors	20,570	34,047
Payables for professional fees	4,932	19,650

(Continued)

	<u>December 31</u>	
	<u>2022</u>	<u>2021</u>
<u>Other payables - accrued expenses</u>		
Others	\$ 130,392	\$ 100,687
	<u>\$ 2,286,836</u>	<u>\$ 3,000,083</u>
<u>Other payables - others</u>		
Other receipts under custody	<u>\$ 68,486</u>	<u>\$ 71,011</u>
<u>Other payables to related parties</u>		
Others	<u>\$ 28,545</u>	<u>\$ 36,643</u>
		(Concluded)

b. Other liabilities were as follows:

	<u>December 31</u>	
	<u>2022</u>	<u>2021</u>
<u>Current</u>		
VAT payable and other tax payable	\$ 84,287	\$ 155,509
Refund liabilities	36,222	62,188
Others	<u>17,747</u>	<u>19,781</u>
	<u>\$ 138,256</u>	<u>\$ 237,478</u>
<u>Non-current</u>		
Long-term bonus payable	\$ 1,044,025	\$ 1,210,180
Refund liabilities	6,104	4,403
Credit balance of investments accounted for using the equity methods	<u>-</u>	<u>11,134</u>
	<u>\$ 1,050,129</u>	<u>\$ 1,225,717</u>

- 1) The refund liabilities were estimated based on historical experience of actual discounts given, and recognized as a reduction of operating revenue in the period the related services were provided.
- 2) Senior management and employee 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.

## 20. RETIREMENT BENEFIT PLANS

a. Defined contribution plan

The Company adopted a pension plan under the Labor Pension Act (LPA), which is a state-managed defined contribution plan. Under the LPA, an entity makes monthly contributions to employees' individual pension accounts at 6% of monthly salaries and wages.

b. Defined benefit plan

The defined benefit plan adopted by the Company in accordance with the Labor Standards Act is 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 contributes 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 Company 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 Company 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 Company has no right to influence the investment policy and strategy.

The amounts included in the balance sheets in respect of the Company's defined benefit plan were as follows:

	<b>December 31</b>	
	<b>2022</b>	<b>2021</b>
Present value of defined benefit obligation	\$ 636,110	\$ 740,836
Fair value of plan assets	<u>(629,431)</u>	<u>(586,569)</u>
Deficit	<u>6,679</u>	<u>154,267</u>
Net defined benefit liabilities	<u>\$ 6,679</u>	<u>\$ 154,267</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, 2021	<u>\$ 730,207</u>	<u>\$ (580,593)</u>	<u>\$ 149,614</u>
Service cost			
Current service cost	2,615	-	2,615
Net interest expense (income)	<u>3,651</u>	<u>(2,928)</u>	<u>723</u>
Recognized in profit or loss	<u>6,266</u>	<u>(2,928)</u>	<u>3,338</u>
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(7,410)	(7,410)
Actuarial loss - changes in demographic assumptions	24,813	-	24,813
Actuarial gain - experience adjustments	<u>(804)</u>	<u>-</u>	<u>(804)</u>
Recognized in other comprehensive income	<u>24,009</u>	<u>(7,410)</u>	<u>16,599</u>
Contributions from the employer	<u>-</u>	<u>(15,284)</u>	<u>(15,284)</u>
Benefits paid	<u>(19,646)</u>	<u>19,646</u>	<u>-</u>
Balance at December 31, 2021	<u>740,836</u>	<u>(586,569)</u>	<u>154,267</u>
Service cost			
Current service cost	1,865	-	1,865
Net interest expense (income)	<u>3,819</u>	<u>(3,000)</u>	<u>819</u>
Recognized in profit or loss	<u>5,684</u>	<u>(3,000)</u>	<u>2,684</u>

(Continued)

	<b>Present Value of the Defined Benefit Obligation</b>	<b>Fair Value of the Plan Assets</b>	<b>Net Defined Benefit (Assets) Liabilities</b>
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	\$ -	\$ (47,256)	\$ (47,256)
Actuarial gain - changes in financial assumptions	(71,107)	-	(71,107)
Actuarial gain - experience adjustments	<u>(28,438)</u>	<u>-</u>	<u>(28,438)</u>
Recognized in other comprehensive income	<u>(99,545)</u>	<u>(47,256)</u>	<u>(146,801)</u>
Contributions from the employer	<u>-</u>	<u>(16,008)</u>	<u>(16,008)</u>
Business combinations	<u>22,910</u>	<u>(8,411)</u>	<u>14,499</u>
Benefits paid	<u>(33,775)</u>	<u>31,813</u>	<u>(1,962)</u>
Balance at December 31, 2022	<u>\$ 636,110</u>	<u>\$ (629,431)</u>	<u>\$ 6,679</u> (Concluded)

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

	<b>For the Year Ended December 31</b>	
	<b>2022</b>	<b>2021</b>
Operating costs	\$ 1,770	\$ 2,989
General and administrative expenses	<u>914</u>	<u>349</u>
	<u>\$ 2,684</u>	<u>\$ 3,338</u>

Through the defined benefit plan under the Labor Standards Act, the Company 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 by reference to the future salaries of plan participants. As such, an increase in the salary 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 were as follows:

	<b>December 31</b>	
	<b>2022</b>	<b>2021</b>
Discount rates	1.50%	0.50%
Expected rates of salary increase	3.00%	3.00%



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

	<u>December 31</u>	
	<u>2022</u>	<u>2021</u>
Discount rates		
0.25% increase	<u>\$ (15,898)</u>	<u>\$ (20,549)</u>
0.25% decrease	<u>\$ 16,456</u>	<u>\$ 21,333</u>
Expected rates of salary increase		
0.25% increase	<u>\$ 15,933</u>	<u>\$ 20,468</u>
0.25% decrease	<u>\$ (15,475)</u>	<u>\$ (19,830)</u>

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

	<u>December 31</u>	
	<u>2022</u>	<u>2021</u>
The expected contributions to the plan for the next year	<u>\$ 16,206</u>	<u>\$ 10,007</u>
The average duration of the defined benefit obligation	10.18 years	11.22 years

## 21. EQUITY

### Share Capital

	<u>December 31</u>	
	<u>2022</u>	<u>2021</u>
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, 2022, the Company has issued share capital of \$7,368,465, divided into 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

	<u>December 31</u>	
	<u>2022</u>	<u>2021</u>
<u>May be used to offset a deficit</u>		
Arising from expired stock options	<u>\$ 63,790</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 23 (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 2021 and 2020, which had been approved in the shareholders' meetings held on May 19, 2022 and May 21, 2021, 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>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
Legal reserve	\$ 244,770	\$ 172,251	\$ -	\$ -
Special reserve	288,875	185,377	-	-
Cash dividends	2,063,170	1,252,639	2.80	1.70

- e. The appropriations of earnings for 2022 had been proposed by the Company's board of directors on February 22, 2023. The appropriations and dividends per share were as follows:

	<b>Appropriation of Earnings</b>	<b>Dividends Per Share (NT\$)</b>
Legal reserve	\$ 134,122	\$ -
Reversal of special reserve	(105,568)	-
Cash dividends	884,216	1.20

The appropriations of earnings for 2022 are subject to the resolution of the shareholders in their meeting to be held on May 18, 2023.

## 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 Company's foreign operations from their functional currencies to the Company'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 on financial assets at fair value through other comprehensive income did not reclassified to gains or losses when dispose of investment.

## 22. REVENUE

	<u>December 31</u>	
	<u>2022</u>	<u>2021</u>
Real estate brokerage revenue	\$ 8,778,153	\$ 11,332,401
Sales of real estate agency	<u>1,299,477</u>	<u>1,965,318</u>
	<u>\$ 10,077,630</u>	<u>\$ 13,297,719</u>

The Company's revenue is composed of rendering of services comes from real-estate brokerage and agency sale business. The Company recognizes revenues when performance obligations are satisfied and recognizes the right to receive the consideration as accounts receivable, refer to Note 9 for the details.

## 23. 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>2022</u>	<u>2021</u>
Interest income		
Cash in bank	\$ 1,684	\$ 1,415
Borrowings to related parties	15,390	-
Others	<u>840</u>	<u>1,007</u>
	<u>\$ 17,914</u>	<u>\$ 2,422</u>

## Other Gains and Losses

	<b>For the Year Ended December 31</b>	
	<b>2022</b>	<b>2021</b>
Impairment loss of investment properties	\$ (10,460)	\$ (6,440)
Losses on disposal of property, plant and equipment	(2,387)	(2,014)
(Losses) gains on disposal of investment properties	(199)	7,253
Net foreign exchange (losses) gains	(34,522)	14,753
Administration service revenue	49,410	40,587
Impairment loss of investments accounted for using the equity method	-	(2,870)
Others	<u>10,500</u>	<u>32,031</u>
	<u>\$ 12,342</u>	<u>\$ 83,300</u>

## Finance Costs

	<b>For the Year Ended December 31</b>	
	<b>2022</b>	<b>2021</b>
Interest on bank loans	\$ 32,077	\$ 21,546
Interest on bonds payable	50,480	52,721
Interest on lease liabilities	34,254	34,759
Interest on loans from related parties	38,674	17,928
Others	<u>13</u>	<u>11</u>
	<u>\$ 155,498</u>	<u>\$ 126,965</u>

## Depreciation and Amortization

	<b>For the Year Ended December 31</b>	
	<b>2022</b>	<b>2021</b>
Property, plant and equipment	\$ 90,016	\$ 78,933
Right-of-use assets	460,357	443,719
Intangible assets	26,005	23,481
Investment properties	<u>8,524</u>	<u>9,375</u>
	<u>\$ 584,902</u>	<u>\$ 555,508</u>
An analysis of depreciation by function		
Operating costs	\$ 521,195	\$ 495,957
General and administrative expenses	29,178	26,695
Other losses	<u>8,524</u>	<u>9,375</u>
	<u>\$ 558,897</u>	<u>\$ 532,027</u>
An analysis of amortization by function		
Operating costs	\$ 2,610	\$ 2,202
General and administrative expenses	<u>23,395</u>	<u>21,279</u>
	<u>\$ 26,005</u>	<u>\$ 23,481</u>

## Operating Expenses Directly Related to Investment Properties

	<b>For the Year Ended December 31</b>	
	<b>2022</b>	<b>2021</b>
Direct operating expenses from investment properties		
Generating rental income	\$ 25,664	\$ 27,262
Not generating rental income	<u>118</u>	<u>117</u>
	<u>\$ 25,782</u>	<u>\$ 27,379</u>

## Employee Benefits Expense

	<b>For the Year Ended December 31</b>	
	<b>2022</b>	<b>2021</b>
Employee benefits expense (including salary expense and labor and health insurance expense)	\$ 5,682,794	\$ 7,449,972
Post-employment benefits		
Defined contribution plan	212,781	204,842
Defined benefit plan (Note 20)	<u>2,684</u>	<u>3,338</u>
	<u>215,465</u>	<u>208,180</u>
Remuneration of directors	<u>10,358</u>	<u>9,810</u>
Other employee benefits	<u>182,714</u>	<u>154,893</u>
Total employee benefits	<u>\$ 6,091,331</u>	<u>\$ 7,822,855</u>
Summary by function		
Operating costs	\$ 5,513,451	\$ 7,270,775
General and administrative expenses	<u>577,880</u>	<u>552,080</u>
	<u>\$ 6,091,331</u>	<u>\$ 7,822,855</u>

## Compensation of Employees and Remuneration of Directors

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, of employees, and remuneration of directors. The compensation of employees and remuneration of directors for the years ended December 31, 2022 and 2021 which have been approved by the Company's board of directors on February 22, 2023 and February 25, 2022, respectively, were as follows:

### Accrual rate

	<b>For the Year Ended December 31</b>	
	<b>2022</b>	<b>2021</b>
Compensation of employees	1.00%	1.00%
Remuneration of directors	0.35%	0.16%

### Amount

	<b>For the Year Ended December 31</b>	
	<b>2022</b>	<b>2021</b>
	<b>Cash</b>	<b>Cash</b>
Compensation of employees	\$ 15,260	\$ 29,247
Remuneration of directors	5,310	4,800

If there is a change in the proposed amounts after the date the annual financial statements were authorized for issue, the differences are recorded 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 financial statements for the years ended December 31, 2021 and 2020.

Information on the compensation of employees and remuneration of directors resolved by the Company's board of directors in 2023 and 2022 is available at the Market Observation Post System website of the Taiwan Stock Exchange.

#### **Impairment Loss Recognized on Non-financial Assets**

	<b><u>For the Year Ended December 31</u></b>	
	<b>2022</b>	<b>2021</b>
Investments accounted for using the equity method (included in other operating income and expenses, net)	\$ -	\$ 2,870
Investment property (included in other operating income and expenses, net)	<u>10,460</u>	<u>6,440</u>
	<u>\$ 10,460</u>	<u>\$ 9,310</u>

#### **24. INCOME TAXES RELATING TO CONTINUING OPERATION**

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

The major components of tax expense were as follows:

	<b><u>For the Year Ended December 31</u></b>	
	<b>2022</b>	<b>2021</b>
Current tax		
In respect of the current year	\$ 282,808	\$ 588,801
Income tax expense of unappropriated earnings	-	5,612
Land value increment tax	-	121
In respect of the prior years	10,083	(23,063)
Deferred tax		
In respect of the current year	<u>(10,829)</u>	<u>(30,665)</u>
Income tax expense recognized in profit or loss	<u>\$ 282,062</u>	<u>\$ 540,806</u>

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

	<b><u>For the Year Ended December 31</u></b>	
	<b>2022</b>	<b>2021</b>
Profit before tax from continuing operations	<u>\$ 1,505,398</u>	<u>\$ 2,890,647</u>
Income tax expense calculated at the statutory rate	\$ 301,080	\$ 578,129
Nondeductible expenses in determining taxable income	63	16,345
Tax-exempt income	(15,312)	-
		(Continued)

	<b>For the Year Ended December 31</b>	
	<b>2022</b>	<b>2021</b>
Additional income tax on unappropriated earnings	\$ -	\$ 5,612
Land value increment tax	-	121
Adjustments for prior years' tax	10,083	(23,063)
Unrecognized deductible temporary differences	<u>(13,852)</u>	<u>(36,338)</u>
Income tax expense recognized in profit or loss	<u>\$ 282,062</u>	<u>\$ 540,806</u> (Concluded)

b. Income tax (expenses) benefit recognized in other comprehensive income

	<b>For the Year Ended December 31</b>	
	<b>2022</b>	<b>2021</b>
<u>Deferred tax</u>		
In respect of the current year		
Remeasurement of defined benefit plan	<u>\$ (29,360)</u>	<u>\$ 3,320</u>

c. Current tax assets and liabilities

	<b>December 31</b>	
	<b>2022</b>	<b>2021</b>
Current tax assets		
Tax refund receivables	<u>\$ 270</u>	<u>\$ 2,867</u>
Current tax liabilities		
Income tax payables	<u>\$ 286,574</u>	<u>\$ 599,063</u>

d. Deferred tax assets and liabilities

The Company has offset certain deferred tax assets and deferred tax liabilities which met the offset criteria.

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

For the year ended December 31, 2022

	<b>Opening Balance</b>	<b>Recognized in Profit or Loss</b>	<b>Recognized in Other Comprehensive Income</b>	<b>Closing Balance</b>
<u>Deferred tax assets</u>				
Temporary differences				
Refund liabilities	\$ 13,318	\$ (4,853)	\$ -	\$ 8,465
Defined benefit obligation	1,411	(1,411)	-	-
Allowance for impairment loss	1,265	-	-	1,265

(Continued)

	<b>Opening Balance</b>	<b>Recognized in Profit or Loss</b>	<b>Recognized in Other Comprehensive Income</b>	<b>Closing Balance</b>
Employee benefits	\$ 60,669	\$ 3,630	\$ -	\$ 64,299
Others	<u>5,820</u>	<u>14,717</u>	<u>-</u>	<u>20,537</u>
	<u>\$ 82,483</u>	<u>\$ 12,083</u>	<u>\$ -</u>	<u>\$ 94,566</u>
<u>Deferred tax liabilities</u>				
Temporary differences				
Defined benefit obligation	<u>\$ -</u>	<u>\$ 1,254</u>	<u>\$ 29,360</u>	<u>\$ 30,614</u> (Concluded)

For the year ended December 31, 2021

	<b>Opening Balance</b>	<b>Recognized in Profit or Loss</b>	<b>Recognized in Other Comprehensive Income</b>	<b>Closing Balance</b>
<u>Deferred tax assets</u>				
Temporary differences				
Refund liabilities	\$ 11,159	\$ 2,159	\$ -	\$ 13,318
Defined benefit obligation	480	(2,389)	3,320	1,411
Allowance for impairment loss	1,265	-	-	1,265
Employee benefits	25,041	35,628	-	60,669
Others	<u>10,553</u>	<u>(4,733)</u>	<u>-</u>	<u>5,820</u>
	<u>\$ 48,498</u>	<u>\$ 30,665</u>	<u>\$ 3,320</u>	<u>\$ 82,483</u>

- e. The aggregate amount of temporary differences associated with investments for which deferred tax liabilities have not been recognized

As of December 31, 2022 and 2021, the taxable temporary differences associated with investments in subsidiaries for which no deferred tax liabilities have been recognized were \$190,422 thousand and \$245,717 thousand, respectively.

- f. Income tax assessments

The Company's tax returns through 2019 have been assessed by the tax authorities.



## 25. EARNINGS PER SHARE

Unit: NT\$ Per Share

	<u>For the Year Ended December 31</u>	
	<u>2022</u>	<u>2021</u>
Basic EPS	<u>\$ 1.66</u>	<u>\$ 3.19</u>
Diluted EPS	<u>\$ 1.66</u>	<u>\$ 3.18</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

	<u>For the Year Ended December 31</u>	
	<u>2022</u>	<u>2021</u>
Profit for the year	<u>\$ 1,223,336</u>	<u>\$ 2,349,841</u>

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

	<u>For the Year Ended December 31</u>	
	<u>2022</u>	<u>2021</u>
Weighted average number of ordinary shares used in the computation of basic earnings per share	736,847	736,847
Effect of dilutive potential ordinary shares:		
Bonus issued to employees	<u>697</u>	<u>1,157</u>
Weighted average number of ordinary shares used in the computation of diluted earnings per share	<u>737,544</u>	<u>738,004</u>

Since the Company is allowed to settle the compensation to employees by cash or shares, the Company 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.

## 26. CASH FLOW INFORMATION

### Changes in Liabilities Arising from Financing Activities

For the year ended December 31, 2022

	Opening Balance	Cash Flows	Non-cash Changes		Cash Flow from Operating Activities	Closing Balance
			New Leases	Other		
Bonds payable (including current portion)	\$ 4,600,000	\$ -	\$ -	\$ -	\$ -	\$ 4,600,000
Long-term borrowings (including current portion)	1,149,814	2,650,117	-	-	-	3,799,931
Guarantee deposits received	37,211	(5,061)	-	-	-	32,150
Other payables to related parties	160,125	819,000	-	755	-	979,880
Lease liabilities	<u>2,918,154</u>	<u>(445,854)</u>	<u>550,029</u>	<u>15,183</u>	<u>(34,254)</u>	<u>3,003,258</u>
	<u>\$ 8,865,304</u>	<u>\$ 3,018,202</u>	<u>\$ 550,029</u>	<u>\$ 15,938</u>	<u>\$ (34,254)</u>	<u>\$ 12,415,219</u>

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)	1,820,000	(670,186)	-	-	-	1,149,814
Guarantee deposits received	30,761	6,450	-	-	-	37,211
Other payables to related parties	1,042,150	(848,780)	-	(33,245)	-	160,125
Lease liabilities	<u>2,805,848</u>	<u>(427,885)</u>	<u>551,851</u>	<u>23,099</u>	<u>(34,759)</u>	<u>2,918,154</u>
	<u>\$ 10,998,759</u>	<u>\$ (2,640,401)</u>	<u>\$ 551,851</u>	<u>\$ (10,146)</u>	<u>\$ (34,759)</u>	<u>\$ 8,865,304</u>

## 27. CAPITAL RISK MANAGEMENT

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

Key management personnel of the Company 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 Company 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.

## 28. 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, 2022

	Carrying Amount	Fair Value Hierarchy			Total
		Level 1	Level 2	Level 3	
<u>Financial liabilities</u>					
Financial liabilities measured at amortized cost - bonds payable					
	\$ 4,600,000	\$ -	\$ 4,552,040	\$ -	\$ 4,552,040

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					
	\$ 4,600,000	\$ -	\$ 4,651,194	\$ -	\$ 4,651,194

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 of financial instruments measured at fair value on a recurring basis

#### 1) Fair value hierarchy

December 31, 2022

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Non-derivative financial assets held for trading				
Domestic unlisted shares - equity investments	\$ -	\$ -	\$ 2,500	\$ 2,500
Financial assets at FVTOCI				
Domestic listed shares - equity investments	\$ 109,723	\$ -	\$ -	\$ 109,723
Domestic unlisted shares - equity investments	-	-	105,404	105,404
	\$ 109,723	\$ -	\$ 105,404	\$ 215,127

December 31, 2021

	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Financial assets at FVTOCI				
Domestic listed shares - equity investments	\$ 119,892	\$ -	\$ -	\$ 119,892
Domestic unlisted shares - equity investments	<u>-</u>	<u>-</u>	<u>111,183</u>	<u>111,183</u>
	<u>\$ 119,892</u>	<u>\$ -</u>	<u>\$ 111,183</u>	<u>\$ 231,075</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

2022

	<b>Financial Assets at FVTPL Equity Instruments</b>	<b>Financial Assets at FVTOCI Equity Instruments</b>
Balance at January 1, 2022	\$ -	\$ 111,183
Addition	2,500	56,714
Recognized in other comprehensive (loss) income	<u>-</u>	<u>(62,493)</u>
Balance at December 31, 2022	<u>\$ 2,500</u>	<u>\$ 105,404</u>

2021

	<b>Financial Assets at Fair Value Through Other Comprehensive Income Equity Instruments</b>
Balance at January 1, 2021	\$ 116,152
Addition	6,569
Disposal	(1,607)
Recognized in other comprehensive (loss) income	<u>(9,931)</u>
Balance at December 31, 2021	<u>\$ 111,183</u>

3) Valuation technique and inputs applied for Level 3 fair value measurement

<u>Financial Instruments</u>	<u>Valuation Techniques and Inputs</u>
Domestic unlisted shares	The market approach is used as appropriate based on the nature of the valuation target. In the determining the fair value of the valuation target, the total value of individual assets and liabilities covered by the valuation target is assessed based on the balance sheet, at the same time taking into consideration the liquidity discount and the discount for lack of marketability, in order to reflect the overall value of the target company.

Due to the lack of quoted prices in an active market, the fair values of the Company's investments in equity instruments categorized within Level 3 of the fair value hierarchy are determined based on the valuations generally used by market participants. Quantitative information is not disclosed since it is not possible to fully grasp the relationship between the unobservable inputs and the fair value.

c. Categories of financial instruments

	<u>December 31</u>	
	<u>2022</u>	<u>2021</u>
<u>Financial assets</u>		
FVTPL		
Mandatorily classified as at FVTPL	\$ 2,500	\$ -
Financial assets at amortized cost (Note 1)	3,277,365	2,341,804
Financial assets at FVTOCI	215,127	231,075
<u>Financial liabilities</u>		
Amortized cost (Note 2)	12,839,853	10,265,067

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

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

**Financial Risk Management Objectives and Policies**

The Company's major financial instruments included equity, trade receivables, other payables, bonds payable, borrowings and lease liabilities. The Company's Corporate Treasury function provides services to the business and manages the financial risks relating to the operations of the Company 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 Company 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 Company's activities exposed it primarily to the financial risks of changes in foreign currency exchange rates and interest rates.

1) Foreign currency exchange

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

For the carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period, refer to Note 32.

Foreign currency sensitivity analysis

The following table details the Company'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 negative if the other factors remain unchanged.

	<b>For the Year Ended December 31</b>					
	<b>2022</b>			<b>2021</b>		
	<b>USD</b>	<b>MYR</b>	<b>RMB</b>	<b>USD</b>	<b>MYR</b>	<b>RMB</b>
Equity	\$ 39,176	\$ 15,927	\$ -	\$ 3,436	\$ 14,764	\$ -
Profit or loss	71	7	1	334	11	8

2) Interest rate risk

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

	<b>December 31</b>	
	<b>2022</b>	<b>2021</b>
Fair value interest rate risk		
Financial assets	\$ -	\$ 27,680
Financial liabilities	7,903,189	8,278,093
Cash flow interest rate risk		
Financial assets	55,000	5,000
Financial liabilities	4,479,880	550,000

### Interest rate sensitivity analysis

The Company 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 Company's cash outflow will increase/decrease by \$44,249 thousand and \$5,450 thousand for the years ended December 31, 2022 and 2021, respectively.

### 3) Other price risk

The Company is exposed to equity price risk through its investments in domestic listed shares.

If equity prices had been 1% higher/lower, pre-tax profit for the year ended December 31, 2022 would have increased/decreased by \$25 thousand 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, 2022 and 2021 would have increased/decreased by \$2,151 thousand and \$2,311 thousand 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 Company. The Company 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 Company is mainly engaged in the operation of real-estate brokerage business and the customers of the Company are the people who buy and sell houses. The revenue from agency service is also received through the housing performance guarantee, so the concentration credit risk of trade receivable is immaterial.

#### Financial credit risk

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

### c. Liquidity risk

The Company's current liability exceeds its current assets of \$4,661,411 thousand. The Company currently has unused borrowing limit \$10,185,500 thousand sufficient to meet all contractual obligations, so there is no liquidity risk with being unable to raise funds to perform contractual obligations.

The Company manages liquidity risk by monitoring and maintaining a certain level of cash and cash equivalents deemed adequate to finance the Company'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 Company relies on bank borrowings as a significant source of liquidity. As of December 31, 2022 and 2021, the Company had available unutilized bank loan facilities as follows:

	<u>December 31</u>	
	<u>2022</u>	<u>2021</u>
Unsecured bank overdraft facility, reviewed annually and payable on call:		
Amount used	\$ 1,700,000	\$ 750,000
Amount unused	<u>8,265,500</u>	<u>8,663,800</u>
	<u>\$ 9,965,500</u>	<u>\$ 9,413,800</u>
Secured bank overdraft facility:		
Amount used	\$ 2,100,000	\$ 400,000
Amount unused	<u>1,920,000</u>	<u>3,920,000</u>
	<u>\$ 4,020,000</u>	<u>\$ 4,320,000</u>

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

The following table details the Company'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 Company 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, 2022

	<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	\$ -	\$ 2,383,867	\$ 1,076,175	\$ -
Lease liabilities	41,453	456,232	1,745,315	889,984
Variable interest rate liabilities	8,570	213,974	4,464,206	-
Fixed interest rate liabilities	<u>4,739</u>	<u>3,727,095</u>	<u>346,105</u>	<u>922,227</u>
	<u>\$ 54,762</u>	<u>\$ 6,781,168</u>	<u>\$ 7,631,801</u>	<u>\$ 1,812,211</u>

Additional information about the maturity analysis for financial 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	\$ 41,453	\$ 456,232	\$ 1,745,315	\$ 855,889	\$ 34,095
Fixed interest rate liabilities	<u>4,739</u>	<u>3,727,095</u>	<u>346,105</u>	<u>922,227</u>	<u>-</u>
	<u>\$ 46,192</u>	<u>\$ 4,183,327</u>	<u>\$ 2,091,420</u>	<u>\$ 1,778,116</u>	<u>\$ 34,095</u>



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	\$ -	\$ 3,107,737	\$ 1,247,391	\$ -
Lease liabilities	39,121	431,121	1,674,365	896,836
Variable interest rate liabilities	416	4,571	555,190	-
Fixed interest rate liabilities	<u>4,666</u>	<u>211,454</u>	<u>4,366,777</u>	<u>933,392</u>
	<u>\$ 44,203</u>	<u>\$ 3,754,883</u>	<u>\$ 7,843,723</u>	<u>\$ 1,830,228</u>

Additional information about the maturity analysis for financial 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	\$ 39,121	\$ 431,121	\$ 1,674,365	\$ 887,088	\$ 9,748
Fixed interest rate liabilities	<u>4,666</u>	<u>211,454</u>	<u>4,366,777</u>	<u>933,392</u>	<u>-</u>
	<u>\$ 43,787</u>	<u>\$ 642,575</u>	<u>\$ 6,041,142</u>	<u>\$ 1,820,480</u>	<u>\$ 9,748</u>

## 29. TRANSACTIONS WITH RELATED PARTIES

Details of transactions between the Company and related parties were disclosed below:

### a. Related parties and their Relationships with the Company

<u>Related Party</u>	<u>Relationship with the Company</u>
Sinyi Land Administration Agent Joint Office	Related party in substance
Sinyi Cultural Foundation	Related party in substance
Sinyi Real Estate Appraisal Office	Related party in substance
Yu-Hao Co., Ltd.	Corporate shareholder (direct investment using the equity method)
Sinyi Co., Ltd.	The Chairman of the Company (Note 1)
Yu-Heng Co., Ltd.	Corporate shareholder (indirect investment using the equity method)
Ken Investment Co., Ltd.	Related party in substance
Sin-Heng Limited	Related party in substance
Sin-Yeh Co., Ltd.	Related party in substance
Sinyi Public Welfare Foundation	Related party in substance
Taiwan Regional Revitalization Foundation	Related party in substance
Sinyi Interior Design Co., Ltd.	Associate
Sinyi Real Estate Consulting Limited (Note 2)	Subsidiaries
An-Sin Real Estate Management Ltd.	Subsidiaries
Sinyi Global Asset Management Co., Ltd.	Subsidiaries
Jui-Inn Consultants Co., Ltd.	Subsidiaries
Yowoo Technology Inc.	Subsidiaries

(Continued)

<u>Related Party</u>	<u>Relationship with the Company</u>
Sinyi Culture Publishing Inc.	Subsidiaries
Sinyi Development Inc.	Subsidiaries
An-Shin Real Estate Management Ltd.	Subsidiaries
Sinyi Realty Inc. Japan	Subsidiaries
Tokyo Sinyi Real Estate Co., Ltd.	Subsidiaries
Heng-Yi Intelligent Technology Inc.	Subsidiaries
Da-Chia Construction Co., Ltd.	Subsidiaries
Sinyi Real Estate Co., Ltd.	Subsidiaries
Sinyi International Limited	Subsidiaries
Sinyi Morefun Tourism Development Ltd.	Subsidiaries
Jin Mei Travel Service Co., Ltd.	Subsidiaries
Lunheng Business Management (Shanghai) Ltd.	Subsidiaries
Xin Yeh Business Administration (Shanghai) Ltd.	Subsidiaries
Fidelity Property Consultant Sdn. Bhd.	Subsidiaries
Sinyi Asset Management Co., Ltd.	Subsidiaries

(Concluded)

Note 1: The Chairman was newly elected by the board of Sinyi Co., Ltd. on May 19, 2022.

Note 2: The merger date base of the Company and Sinyi Real Estate Consulting Limited was set on August 31, 2022. The Company was the surviving company while Sinyi Real Estate Consulting Limited was the dissolved company.

b. Trade receivables from related parties

	<u>December 31</u>	
	<u>2022</u>	<u>2021</u>
An-Sin Real Estate Management Ltd.	<u>\$ 93,620</u>	<u>\$ 174,781</u>

Trade receivables from related parties represent amounts collected on behalf of the Company. The related parties will transfer the amount to the Company after closing the deals.

c. Other receivables from related parties

	<u>December 31</u>	
	<u>2022</u>	<u>2021</u>
Other related parties		
Related parties in substance	\$ 968	\$ 2,393
Corporate shareholder (indirect investment using the equity method)	50	-
Subsidiaries		
Sinyi Development Inc.	1,704,453	321,295
Sinyi Realty Inc. Japan	9,305	4,955
Sinyi Global Asset Management Co., Ltd.	12,237	3,159
An-Shin Real Estate Management Ltd.	1,815	1,744
Others	<u>2,788</u>	<u>928</u>
	<u>\$ 1,731,616</u>	<u>\$ 334,474</u>

Other receivables from related parties are mainly management consulting services receivable and rental receivable. Refer to f. Borrowings to related parties.

d. Other payables to related parties

	<b>December 31</b>	
	<b>2022</b>	<b>2021</b>
Other related parties		
Related parties in substance	\$ 212	\$ 415
Subsidiaries		
Sinyi Global Asset Management Co., Ltd.	23,317	14,980
Sinyi Real Estate Consulting Limited	-	13,947
Yowoo Technology Inc.	3,456	4,044
An-Sin Real Estate Management Ltd.	1,186	1,832
Others	<u>374</u>	<u>1,425</u>
	<u>\$ 28,545</u>	<u>\$ 36,643</u>

e. Loans from related parties

	<b>For the Year Ended December 31</b>	
	<b>2022</b>	<b>2021</b>
Subsidiaries		
Sinyi Global Asset Management Co., Ltd.	\$ 120,000	\$ 100,000
Sinyi International Limited	859,880	-
Sinyi Realty Inc. Japan	-	36,075
Sinyi Asset Management Co., Ltd.	<u>-</u>	<u>24,050</u>
	<u>\$ 979,880</u>	<u>\$ 160,125</u>

Interest expense

	<b>For the Year Ended December 31</b>	
	<b>2022</b>	<b>2021</b>
Subsidiaries		
Sinyi Global Asset Management Co., Ltd.	\$ 1,012	\$ 907
Sinyi Realty Inc. Japan	9	1,009
Sinyi Asset Management Co., Ltd.	13	615
Sinyi International Limited	37,640	-
Lunheng Business Management (Shanghai) Ltd.	-	11,041
Xin Yeh Business Administration (Shanghai) Ltd.	<u>-</u>	<u>4,356</u>
	<u>\$ 38,674</u>	<u>\$ 17,928</u>

The Company obtained loans from related parties which were financing of funds at rates comparable to market interest rates. The loans from related parties are unsecured.

<b>For the Year Ended December 31, 2022</b>					
	<b>Highest Balance During the Period</b>	<b>Amount</b>	<b>Interest Rate</b>	<b>Interest Expense</b>	<b>Interest Payable</b>
Subsidiaries					
Sinyi Global Asset Management Co., Ltd.	\$ 120,000	\$ 120,000	1.45%	\$ 1,012	\$ 281
Sinyi International Limited	1,650,600	859,880	5.20%	37,640	11,778
Sinyi Realty Inc. Japan	36,075	-	2.00%	9	-
Sinyi Asset Management Co., Ltd.	<u>24,050</u>	<u>-</u>	2.00%	<u>13</u>	<u>-</u>
	<u>\$ 1,830,725</u>	<u>\$ 979,880</u>		<u>\$ 38,674</u>	<u>\$ 12,059</u>
<b>For the Year Ended December 31, 2021</b>					
	<b>Highest Balance During the Period</b>	<b>Amount</b>	<b>Interest Rate</b>	<b>Interest Expense</b>	<b>Interest Payable</b>
Subsidiaries					
Sinyi Global Asset Management Co., Ltd.	\$ 100,000	\$ 100,000	0.98%	\$ 907	\$ 222
Sinyi Realty Inc. Japan	69,075	36,075	2.00%	1,009	134
Sinyi Asset Management Co., Ltd.	41,445	24,050	2.00%	615	90
Lunheng Business Management (Shanghai) Ltd.	393,930	-	4.75%	11,041	-
Xin Yeh Business Administration (Shanghai) Ltd.	<u>437,700</u>	<u>-</u>	4.75%	<u>4,356</u>	<u>-</u>
	<u>\$ 1,042,150</u>	<u>\$ 160,125</u>		<u>\$ 17,928</u>	<u>\$ 446</u>

f. Borrowings to related parties

	<b>For the Year Ended December 31</b>	
	<b>2022</b>	<b>2021</b>
Subsidiaries		
Sinyi Development Inc.	\$ 1,699,809	\$ 316,000
Jin Mei Travel Service Co., Ltd.	<u>2,000</u>	<u>-</u>
	<u>\$ 1,701,809</u>	<u>\$ 316,000</u>

Interest income

	<b>For the Year Ended December 31</b>	
	<b>2022</b>	<b>2021</b>
Subsidiaries		
Sinyi Development Inc.	\$ 14,713	\$ -
Others	<u>677</u>	<u>-</u>
	<u>\$ 15,390</u>	<u>\$ -</u>

The financing provided to related parties was at an interest rate close to the market rate. The unsecured borrowings is expected to be reacquired within a year. There will not be expected credit lost after evaluation. Relevant information are as follows:

<b>For the Year Ended December 31, 2022</b>					
	<b>Highest Balance During the Period</b>	<b>Amount</b>	<b>Interest Rate</b>	<b>Interest Income</b>	<b>Interest Receivable</b>
Subsidiaries					
Sinyi Development Inc.	\$ 1,699,809	\$ 1,699,809	1.34%-1.52%	\$ 14,713	\$ 6,310
Jin Mei Travel Service Co., Ltd.	2,000	2,000	5.20%	21	1
Sinyi Morefun Tourism Development Ltd.	<u>1,000</u>	<u>-</u>	1.52%	<u>656</u>	<u>-</u>
	<u>\$ 1,702,809</u>	<u>\$ 1,701,809</u>		<u>\$ 15,390</u>	<u>\$ 6,311</u>
<b>For the Year Ended December 31, 2021</b>					
	<b>Highest Balance During the Period</b>	<b>Amount</b>	<b>Interest Rate</b>	<b>Interest Income</b>	<b>Interest Receivable</b>
Subsidiaries					
Sinyi Development Inc.	<u>\$ 316,000</u>	<u>\$ 316,000</u>	0.91%-0.92%	<u>-</u>	<u>-</u>

g. Remuneration of key management personnel

	<b>For the Year Ended December 31</b>	
	<b>2022</b>	<b>2021</b>
Short-term employee benefits	\$ 93,306	\$ 109,896
Other long-term employee benefits	<u>12,995</u>	<u>13,888</u>
	<u>\$ 106,301</u>	<u>\$ 123,784</u>

Other long-term employee 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.

h. Other transactions with related parties

1) Service revenue

	<b>For the Year Ended December 31</b>	
	<b>2022</b>	<b>2021</b>
Subsidiaries		
Others	<u>\$ 51,447</u>	<u>\$ 93,092</u>

Service revenue is mainly derived from real estate brokerage services provided to the related parties.

2) Rental income

	<b>For the Year Ended December 31</b>	
	<b>2022</b>	<b>2021</b>
Other related parties		
Related parties in substance	\$ 7,451	\$ 7,427
Corporate shareholder (direct investment using the equity method)	57	114
Corporate shareholder (indirect investment using the equity method)	57	57
The Chairman of the Company	57	-
Associates	34	34
Subsidiaries		
An-Shin Real Estate Management Ltd.	7,360	7,288
Sinyi Real Estate Consulting Limited	-	4,173
Sinyi Development Inc.	3,815	3,815
Others	<u>141</u>	<u>174</u>
	<u>\$ 18,972</u>	<u>\$ 23,082</u>

3) Other benefits

	<b>For the Year Ended December 31</b>	
	<b>2022</b>	<b>2021</b>
Other related parties		
Related parties in substance	\$ 1,395	\$ 1,378
Corporate shareholder (indirect investment using the equity method)	286	-
Subsidiaries		
Sinyi Realty Inc. Japan	21,411	12,248
Sinyi Development Inc.	6,055	9,218
An-Shin Real Estate Management Ltd.	6,286	6,671
Sinyi Global Asset Management Co., Ltd.	7,122	4,882
Others	<u>2,469</u>	<u>1,825</u>
	<u>\$ 45,024</u>	<u>\$ 36,222</u>

Other benefits are mainly derived from management consulting services provided to the related parties and their income. The rental rates are based on the prevailing rates in the surrounding area. The Company collects rentals from related parties on a monthly basis.

4) Operating costs

	<b>For the Year Ended December 31</b>	
	<b>2022</b>	<b>2021</b>
Other related party		
Related parties in substance	\$ 3,861	\$ 24,619
Subsidiaries		
Sinyi Real Estate Consulting Limited	85,094	133,458
Others	<u>18,619</u>	<u>24,658</u>
	<u>\$ 107,574</u>	<u>\$ 182,735</u>

5) General and administrative expenses

	<b>For the Year Ended December 31</b>	
	<b>2022</b>	<b>2021</b>
Other related party		
Related parties in substance	\$ 6,433	\$ 27,200
Subsidiaries		
Others	<u>20,603</u>	<u>22,529</u>
	<u>\$ 27,036</u>	<u>\$ 49,729</u>

Operating costs and general and administrative expenses are mainly payment for services related to instructions of real estate, actual price registration, real estate registration, cadaster access service and rental expense, etc.

6) Lease agreements

	<b>December 31</b>	
	<b>2022</b>	<b>2021</b>
Lease liabilities - related parties in substance	<u>\$ -</u>	<u>\$ 5,946</u>

	<b>For the Year Ended December 31</b>	
	<b>2022</b>	<b>2021</b>
<u>Interest expense</u>		
Related parties in substance	<u>\$ 19</u>	<u>\$ 88</u>

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

7) Endorsement and guarantee

As of December 31, 2022, the Company has endorsed Sinyi Real Estate (Hong Kong) Limited, An-Sin Real Estate Management Ltd. and Sinyi International Limited in obtaining financing limit of \$1,044,140 thousand, \$2,600,000 thousand and \$153,550 thousand, respectively. As of December 31, 2021, the Company has endorsed Sinyi Real Estate (Hong Kong) Limited and An-Sin Real Estate Management Ltd. in obtaining financing limit of \$941,120 thousand and \$2,600,000 thousand, respectively.

### 30. MORTGAGE OR PLEDGED ASSETS

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

	<b>December 31</b>	
	<b>2022</b>	<b>2021</b>
Property, plant and equipment (including investment properties)		
Land	\$ 4,125,647	\$ 4,191,664
Building	344,004	384,741
Other financial assets - pledged time deposits	<u>5,000</u>	<u>5,000</u>
	<u>\$ 4,474,651</u>	<u>\$ 4,581,405</u>

### 31. SIGNIFICANT CONTINGENCIES AND UNRECOGNIZED COMMITMENTS

In addition to those disclosed in other notes, significant contingencies and unrecognized commitments of the Company were as follows:

- a. The Company is involved in claims that arise in the ordinary course of brokerage and escrow business; the other party may claim against the Company through legal proceedings. On the basis of past experience and consultations with legal counsel, management of the Company 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.

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

The Company's significant financial assets and liabilities, denominated in foreign currencies were as follows:

	<b>December 31, 2022</b>		
	<b>Foreign Currency (In Thousands)</b>	<b>Exchange Rate</b>	<b>New Taiwan Dollars (In Thousands)</b>
<u>Financial assets</u>			
Monetary items			
USD	\$ 230	30.710	\$ 7,054
MYR	95	6.972	666
RMB	17	4.408	73
Non-monetary items			
USD	127,567	30.710	3,917,582
MYR	228,454	6.972	1,592,693
	<b>December 31, 2021</b>		
	<b>Foreign Currency (In Thousands)</b>	<b>Exchange Rate</b>	<b>New Taiwan Dollars (In Thousands)</b>

#### Financial assets

Monetary items			
USD	\$ 1,206	27.680	\$ 33,393
MYR	169	6.644	1,123
RMB	173	4.344	753
Non-monetary items			
USD	12,412	27.680	343,567
MYR	222,205	6.644	1,476,399

The Company is mainly exposed to foreign currency risk from the USD. The following information was aggregated by the functional currencies of the Company, and the exchange rates between respective functional currencies and the presentation currency were disclosed. The realized and unrealized foreign exchange gains (losses) for the years ended December 31, 2022 and 2021, respectively, were as follows:



<b>For the Year Ended December 31</b>				
<b>2022</b>			<b>2021</b>	
<b>Functional Currency</b>	<b>Exchange Rate</b>	<b>Net Foreign Exchange (Loss)</b>	<b>Exchange Rate</b>	<b>Net Foreign Exchange Gain</b>
NTD	1 (NTD:NTD)	<u>\$ (34,522)</u>	1 (NTD:NTD)	<u>\$ 14,753</u>

### **33. 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 investments in subsidiaries, associates and jointly 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: Table 4 (see the attached)
- f. Disposal of individual real estate at prices of at least NT\$100 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: None
- i. Trading in derivative instruments: None
- j. Information on investees: Table 5 (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 6 (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 year 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 7)

#### **34. SEGMENT INFORMATION**

The Company had disclosed its segment information in accordance with the regulations in the consolidated financial statements as of and for the years ended December 31, 2022 and 2021. The disclosure of segment information is not required for the Company's separate financial statements.

## SINYI REALTY INC.

FINANCING PROVIDED  
FOR THE YEAR ENDED DECEMBER 31, 2022  
(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 14)
													Item	Value			
0	Sinyi Realty Inc.	Sinyi Development Inc.	Other receivables	Yes	\$ 2,362,901	\$ 2,052,709	\$ 1,699,809	1.34%-1.52%	Short-term financing	\$ -	Working capital	\$ -	-	\$ -	\$ 3,545,694 (Note 1)	\$ 4,727,593 (Note 1)	\$ 14,713
		Sinyi Morefun Tourism Development Ltd.	Other receivables	Yes	32,215 (US\$ 1,000 thousand)	-	-	5.2%	Short-term financing	-	Working capital	-	-	-	3,545,694 (Note 1)	4,727,593 (Note 1)	656
		Jin Mei Travel Service Co., Ltd.	Other receivables	Yes	5,000	5,000	2,000	1.52%	Short-term financing	-	Working capital	-	-	-	3,545,694 (Note 1)	4,727,593 (Note 1)	21
1	Sinyi Real Estate (Shanghai) Limited	Jiu Xin Estate (Wuxi) Limited	Other receivables	Yes	856,140 (RMB 190,000 thousand)	-	-	4.75%	Short-term financing (Note 10)	-	Working capital	-	-	-	2,018,353 (Note 2)	3,027,529 (Note 2)	-
		Shanghai Sinyi Real Estate Inc.	Other receivables	Yes	362,313 (RMB 81,000 thousand)	357,048 (RMB 81,000 thousand)	357,048 (RMB 81,000 thousand)	4.75%	Short-term financing (Note 10)	-	Working capital	-	-	-	2,018,353 (Note 2)	3,027,529 (Note 2)	13,310
2	Shanghai Sinyi Real Estate Inc.	Zhejiang Sinyi Real Estate Co., Ltd.	Other receivables	Yes	29,075 (RMB 6,500 thousand)	22,040 (RMB 5,000 thousand)	22,040 (RMB 5,000 thousand)	4.75%	Short-term financing (Note 10)	-	Working capital	-	-	-	(131,728) (Note 3,6)	(197,592) (Note 3,6)	910
		Suzhou Sinyi Real Estate Inc.	Other receivables	Yes	270,360 (RMB 60,000 thousand)	251,256 (RMB 57,000 thousand)	251,256 (RMB 57,000 thousand)	4.75%	Short-term financing (Note 10)	-	Working capital	-	-	-	(131,728) (Note 3,6)	(197,592) (Note 3,6)	10,678
		Chuzhou Ya Zhan Functional Agricultural Science and Technology Co., Ltd.	Other receivables	No	57,184 (RMB 12,859 thousand)	29,357 (RMB 6,660 thousand)	29,357 (RMB 6,660 thousand)	6%	Short-term financing	-	Working capital	-	-	-	(26,345) (Note 4,6)	(32,932) (Note 4,6)	1,691
		YiShan Shanghai Real Estate Management Consulting Inc. (Note 15)	Other receivables	Yes	15,285 (RMB 3,500 thousand)	-	-	4.75%	Short-term financing	-	Working capital	-	-	-	(26,345) (Note 5,6)	(32,932) (Note 5,6)	307
3	Lunheng Business Management (Shanghai) Ltd.	Shanghai Sinyi Real Estate Inc.	Other receivables	Yes	117,156 (RMB 26,000 thousand)	-	-	4.75%	Short-term financing (Note 10)	-	Working capital	-	-	-	1,407,548 (Note 7)	2,111,322 (Note 7)	940
		Jiu Xin Estate (Wuxi) Limited	Other receivables	Yes	946,260 (RMB 210,000 thousand)	925,680 (RMB 210,000 thousand)	925,680 (RMB 210,000 thousand)	4.75%	Short-term financing (Note 10)	-	Working capital	-	-	-	1,407,548 (Note 7)	2,111,322 (Note 7)	44,107
4	Sinyi Realty Inc. Japan	Sinyi Realty Inc.	Other receivables	Yes	36,105 (JPY 150,000 thousand)	-	-	2%	Short-term financing (Note 10)	-	Working capital	-	-	-	322,186 (Note 8)	483,279 (Note 8)	9
5	Sinyi Asset Management Co., Ltd.	Sinyi Realty Inc.	Other receivables	Yes	24,070 (JPY 100,000 thousand)	-	-	2%	Short-term financing (Note 10)	-	Working capital	-	-	-	63,044 (Note 9)	94,566 (Note 9)	13
6	Sinyi Global Asset Management Co., Ltd	Sinyi Realty Inc.	Other receivables	Yes	120,000	120,000	120,000	1.45%	Short-term financing	-	Working capital	-	-	-	339,984 (Note 11)	566,640 (Note 11)	1,012
7	Sinyi International Limited	Sinyi Realty Inc.	Other receivables	Yes	1,676,640 (US\$ 56,000 thousand)	859,880 (US\$ 28,000 thousand)	859,880 (US\$ 28,000 thousand)	5.2%	Short-term financing (Note 10)	-	Working capital	-	-	-	6,125,123 (Note 12)	9,800,197 (Note 12)	37,640
8	Xin Yeh Business Administration (Shanghai) Ltd.	Sinyi Real Estate (Shanghai) Limited	Other receivables	Yes	1,789,200 (RMB 400,000 thousand)	1,763,200 (RMB 400,000 thousand)	1,763,200 (RMB 400,000 thousand)	4.75%	Short-term financing (Note 10)	-	Working capital	-	-	-	1,861,537 (Note 13)	2,792,305 (Note 13)	23,248

(Continued)

- 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 worth.
- 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 300% of Shanghai Sinyi Real Estate Inc.'s net worth. The individual lending amount should not exceed 200% of Shanghai Sinyi Real Estate Inc. (Shanghai Sinyi) 's net worth.
- Note 4: 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 40% of Shanghai Sinyi Real Estate Inc.'s net worth.
- Note 5: The financing provided by Shanghai Sinyi Real Estate Inc. for borrowing company which is owned 80% to less than 100% of its voting shares directly or indirectly by Shanghai Sinyi Real Estate 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 6: Shanghai Sinyi Real Estate Limited will propose an improvement plan in accordance with the regulations due to the decrease in net worth as of December 31, 2022, and the capital loan is over the limit.
- Note 7: 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 8: 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 9: 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 10: 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 intercompany loans of funds between overseas companies in which the Company holds, directly or indirectly, 100% of the voting shares.
- Note 11: 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 12: The financing provided by Sinyi International Limited for borrowing company which is owned 100% of its voting shares directly or indirectly by Sinyi International Limited or Sinyi Realty Inc., the maximum total financing provided should not exceed 80% of Sinyi International Limited's net worth. The individual lending amount should not exceed 50% of Sinyi International Limited's net worth.
- Note 13: The financing provided by Xin Yeh Business Administration (Shanghai) Ltd. for borrowing company, which is owned 100% of its voting shares directly or indirectly by Xin Yeh Business Administration (Shanghai) Ltd. or Sinyi Realty Inc., the maximum total financing provided should not exceed 150% of Xin Yeh Business Administration (Shanghai) Ltd.'s net worth. The individual lending amount should not exceed 100% of Xin Yeh Business Administration (Shanghai) Ltd.'s net worth.
- Note 14: Interest recognized in the current period.
- Note 15: Ke Wei Shanghai Real Estate Management Consulting Inc. changed its name to YiShan Shanghai Real Estate Management Consulting Inc. in September 2022.

(Concluded)

## SINYI REALTY INC.

**ENDORSEMENT/GUARANTEE PROVIDED TO OTHERS  
FOR THE YEAR ENDED DECEMBER 31, 2022**  
(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	\$ 9,455,186 (Note 1)	\$ 1,095,310 (US\$ 34,000 thousand)	\$ 1,044,140 (US\$ 34,000 thousand)	\$ -	\$ -	8.83	\$ 17,728,474 (Note 1)	Yes	No	No	Note 3
		An-Sin Real Estate Management Ltd.	Directly 51% owned subsidiary	9,455,186 (Note 1)	2,600,000	2,600,000	-	-	22.00	17,728,474 (Note 1)	Yes	No	No	Note 4
		Sinyi International Limited	Directly 100% owned subsidiary	9,455,186 (Note 1)	161,075 (US\$ 5,000 thousand)	153,550 (US\$ 5,000 thousand)	-	-	1.30	17,728,474 (Note 1)	Yes	No	No	Note 5
1	Jiu Xin Estate (Wuxi) Limited	Kunshan Dingxian Trading Co., Ltd.	Business dealings	4,795,468 (Note 2)	19,114 (RMB 4,242 thousand)	18,699 (RMB 4,242 thousand)	18,699 (RMB 4,242 thousand)	-	0.31	5,994,336 (Note 2)	No	No	Yes	Note 6

Note 1: For those subsidiaries Sinyi Realty Inc. (the "Company") has over 50% ownership directly or indirectly, the limit of endorsement/guarantee amount for each guaranteed party should not exceed 80% of the Company'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 group's exchange rate hedging needs, the Company provide Sinyi International Limited endorsement guarantee according to the bank quota conditions.

Note 6: 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.

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

DECEMBER 31, 2022

(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, 2022				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	4,562,282	\$ 109,723	-	\$ 109,723	
	<u>Unlisted shares</u> Han Yu Venture Capital Co., Ltd.	-	Financial assets at fair value through other comprehensive income - non-current	5,000,000	34,467	11	34,467	
	NOWnews Network Co., Ltd.	-	Financial assets at fair value through other comprehensive income - non-current	5,049,632	14,139	9	14,139	
	Pchome Investment Co., Ltd.	-	Financial assets at fair value through other comprehensive income - non-current	196,350	-	8	-	
	Cité Publishing Holding Ltd.	-	Financial assets at fair value through other comprehensive income - non-current	7,637	-	1	-	
	Cité Information Services Co., Ltd.	-	Financial assets at fair value through other comprehensive income - non-current	106,392	-	1	-	
	B Current Impact Investment Fund 3	-	Financial assets at fair value through other comprehensive income - non-current	1,000,000	12,673	10	12,673	
	LEJU Technology Co., Ltd.	-	Financial assets at fair value through other comprehensive income - non-current	364,964	44,125	11	44,125	
	B Current Impact Investment Fund 5 LP	-	Financial assets at fair value through profit or loss - non-current	-	2,500	-	2,500	
Sinyi Limited	<u>Listed shares</u> Orix Corp.	-	Financial assets at fair value through other comprehensive income - current	561,300	276,490	-	276,490	
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	74,670	2	74,670	
	Taicang Yalong Management Consulting Co., Ltd.	-	Financial assets at fair value through other comprehensive income - non-current	150,000	-	-	-	

SINYI REALTY INC.

ACQUISITION OF INDIVIDUAL REAL ESTATE AT COSTS OF AT LEAST NT\$300 MILLION OR 20% OF THE PAID-IN CAPITAL FOR THE YEAR ENDED DECEMBER 31, 2022  
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Buyer	Property	Event Date	Transaction Amount	Payment Status	Counterparty	Relationship	Information on Previous Title Transfer If Counterparty Is A Related Party				Pricing Reference	Purpose of Acquisition	Other Terms
							Property Owner	Relationship	Transaction Date	Amount			
Zhancheng Tourism Development Sdn. Bhd.	Right-of-use - land	2022.12.21	\$ 314,370 (MYR 45,093 thousand)	Paid 2% of total price	Treasure Sage Sabah SDN. BHD. (Malaysia)	Related party in substance	Amylia Edmund, WEE GIOK SHUN, WEE WUI NEE, WONG SIEW GUEN, LPL 118 CORPORATION SDN. BHD.	-	2018/12/31 2019/3/21 2019/4/29 2019/6/18 2019/12/31 2020/12/30	MYR 42,660 thousand	The counter-party's acquisition price, including interest on the necessary capital and the buyer's costs, amounted to MYR45,093 thousand.	The investment of real estate is for the tourism industry.	-

Note: Prepayments for right-of-use assets - land is from Zhancheng signed an agreement to acquire right-of-use of land at Pulau Mengalum, Sabah, Malaysia in 2022 and in completed the legal progress of the possession right transfer.

## SINYI REALTY INC.

INFORMATION ON INVESTEEES  
FOR THE YEAR ENDED DECEMBER 31, 2022  
(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, 2022			Net Income (Loss) of the Investee	Investment Income (Loss) Recognized	Note
				Ending Balance	Beginning Balance	Shares	Percentage of Ownership (%)	Carrying Value			
Sinyi Realty Inc.	Sinyi International Limited	Equity Trust Chamber, P.O. Box 3269, Apia, Samoa	Investment holding	\$ 10,407,073	\$ 10,407,073	345,248,785	100	\$ 12,250,247	\$ 238,885	\$ 238,885	
	Sinyi Limited	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	1,905,584	57,277,000	100	187,876	(202,122)	(202,122)	
	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	1,638,150	106,883	97,358	Note 4
	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	113,328	33,137	33,137	
	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	6,664	(989)	(791)	
	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	781	(34)	(34)	
	Sinyi Culture Publishing Inc.	No. 100, Sinyi Rd., Sec. 5, Sinyi District, Taipei City, Taiwan	Publication	4,960	4,960	-	99	1,731	(608)	(603)	
	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	131,748	26,343	13,435	
	Sinyi Interior Design Co., Ltd.	No. 100, Sinyi Rd., Sec. 5, Sinyi District, Taipei City, Taiwan	Interior design	950	950	95,000	19	16,213	4,289	816	
	Yowoo Technology Inc.	No. 100, Sinyi Rd., Sec. 5, Sinyi District, Taipei City, Taiwan	Information software, data processing and electronic information providing service	38,875	28,875	3,500,000	100	5,695	(9,953)	(9,953)	
	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	49,221	71,441	16,080	
	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	1,524,059	(38,219)	(38,219)	
	Sinyi Real Estate Consulting Limited	No. 100, Sinyi Rd., Sec. 5, Sinyi District, Taipei City, Taiwan	Production of instructions of real estate	-	8,000	-	-	-	(8,406)	(8,406)	Note 2
	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	57,158	29,384	8,200,000	100	32,759	(12,463)	(12,463)	
	Sinyi Morefun Tourism Development Ltd.	Coastal Building, Wickham's Cay II, P. O. Box 2221, Road Town, Tortola, British Virgin Islands.	Investment holding	130,679	36,942	14,390	100	63,715	(45,814)	(45,814)	
Jin Mei Travel Service Co., Ltd.	9F.-2, No. 50, Linsen N. Rd., Zhongshan Dist., Taipei City, Taiwan	Tourism	8,310	8,310	-	100	3,759	(738)	(738)		
Sinkang Administration Sdn. Bhd.	Unit 20-1, Level 20, Menara Prestige, No. 1, Jalan Pinang, 50450 Kuala Lumpur W.P. Kuala Lumpur, Malaysia	Tourism	31,965	-	8,000,000	100	25,669	(18,228)	(6,263)	Note 3	
Zhansin Tourism Development Sdn. Bhd.	Lot No. 6-2, 2ND Floor, Block a Bundusan Commercial, Centre 88450 Kota Kinabalu Sabah, Malaysia	Tourism	3,400	-	500,000	100	3,429	(64)	(33)	Note 3	
Zhancheng Tourism Development Sdn. Bhd.	Lot No. 6-2, 2ND Floor, Block a Bundusan Commercial, Centre 88300 Kota Kinabalu Sabah, Malaysia	Tourism	15,591	-	2,500,000	100	14,759	(1,553)	(1,085)	Note 3	
Sinyi International Limited	Forever Success International Ltd.	3 <sup>rd</sup> Floor, Standard Chartered Tower, 19 Cybercity, Ebene, Mauritius.	Investment holding	68,741	68,741	2,216,239	100	152,715	(21,756)	(21,756)	
	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	322,186	45,187	45,187	
Sinyi Development Ltd.	Sinyi Development Ltd.	TMF Chambers, P.O. Box 3269, Apia Samoa	Investment holding	3,919,127	3,919,127	133,506,209	100	2,210,387	204,788	204,788	
	Sinyi Estate Ltd.	TMF Chambers, P.O. Box 3269, Apia Samoa	Investment holding	6,360,046	6,360,344	208,510,749	100	6,009,363	21,411	21,411	
Sinyi Limited	Inane International Limited	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	(100,027)	(208,317)	(208,317)	
	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	(10,367)	(3,366)	(3,335)	
Inane International Limited	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	11,103	-	-	
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	125,343	16,105	16,105	
Sinyi Realty Inc. Japan	Sinyi Asset 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	63,044	9,469	9,469	
	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	19,050	(154)	(154)	
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	2,001,294	205,121	205,121	

(Continued)



Investor Company	Investee Company	Location	Main Businesses and Products	Investment Amount		Balance as of December 31, 2022			Net Income (Loss) of the Investee	Investment Income (Loss) Recognized	Note
				Ending Balance	Beginning Balance	Shares	Percentage of Ownership (%)	Carrying Value			
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	\$ 6,351,124	207,010,749	100	\$ 5,988,441	\$ 27,998	\$ 27,998	
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	800	80,000	100	330	(34)	(34)	
	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	800	80,000	100	253	(34)	(34)	
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	39,987	5,443,949	49	3,944	(6,647)	(3,257)	
	Pegasus Holding Sdn. Bhd.	Suite 9-13a, Level 9, Wisma Uoa Ii, Jalan Pinang, 50450 Kuala Lumpur, Malaysia	Investment holding	42,160	42,160	5,741,100	100	4,169	(3,480)	(3,480)	
Pegasus 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	41,619	5,666,151	51	4,105	(6,647)	(3,390)	
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	1,666	(989)	(198)	
	Lin Yue Traffic Inc.	No. 100, Sinyi Rd., Sec. 5, Sinyi District, Taipei City, Taiwan	Manpower dispatch and merchandise delivery	20,500	19,300	2,620,000	100	3,088	(293)	(293)	
Sinju Holding Sdn. Bhd.	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	-	-	-	-	(130)	(63)	(63)	Note 1
	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	-	-	-	(18,228)	(11,965)	Note 3
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	3,481	3,119	100	3,352	(38)	(38)	
	Sinyi Elite Limited	Coastal Building, Wickham'S Cay Ii, P. O. Box 2221, Road Town, Tortola, British Virgin Islands.	Investment holding	-	-	-	-	21	(69)	(69)	Note 1
	Sinyi Unique Limited	Coastal Building, Wickham'S Cay Ii, P. O. Box 2221, Road Town, Tortola, British Virgin Islands.	Investment holding	17,794	3,481	3,619	100	16,052	(550)	(550)	
Sinyi Elite Limited	Zhanyi Tourism Development Sdn. Bhd.	Lot No. 62, 2nd Floor, Block A Bundusan Commercial Centre 88300 Kota Kinabalu Sabah Malaysia	Tourism	-	-	-	-	(71)	(69)	(69)	Note 1
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	-	-	-	(64)	(31)	Note 3
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	-	-	-	(1,553)	(468)	Note 3

Note 1: The Group established the subsidiaries in 2020; as of December 31, 2022, the capital injection had not been completed.

Note 2: The Company merged Sinyi Real Estate Consulting Limited on August 31, 2022

Note 3: In November and December 2022, the Company acquired 100% of the shares of Sinkang, Zhansin and Zhancheng from Sinju, Infinite and Unique, respectively.

Note 4: The investment income or loss recognized by the investment company includes the recognition of upstream and downstream transactions and the amortization of the difference between the cost of investment and the net value of the equity in the investment.

(Concluded)

## SINYI REALTY INC.

INFORMATION ON INVESTMENTS IN MAINLAND CHINA  
FOR THE YEAR ENDED DECEMBER 31, 2022  
(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, 2022	Investment Flows		Accumulated Outflow of Investment from Taiwan as of December 31, 2022	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Income (Loss) Recognized	Carrying Value as of December 31, 2022 (Note 1)	Accumulated Inward Remittance of Earnings as of December 31, 2022
					Outflow	Inflow						
YiShan Shanghai Real Estate Management Consulting Inc. (Note 9)	Real estate brokerage and management consulting	RMB 21,938	Investment in company located in mainland China indirectly through Ke Wei HK Realty Limited and Shanghai Sinyi Real Estate Inc.	\$ 81,859	\$ -	\$ -	\$ 81,859	\$ (3,368)	100	\$ (3,368)	\$ (11,304)	\$ -
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	(190,138)	100	(190,138)	(65,864)	-
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	(361)	100	(361)	(20,551)	-
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	(17,727)	100	(17,727)	(15,341)	-
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	(87,052)	100	(87,052)	(73,447)	-
Cura Investment Management (Shanghai) Co., Ltd. (Note 3)	Real estate fund investment management	RMB1,636,300	Investment in company located in mainland China indirectly through Shanghai Sinyi Real Estate Inc.	-	-	-	-	-	-	-	-	-
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	(16,903)	100	(16,903)	(27,370)	-
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	(3,582)	100	(3,582)	43,785	-
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	205,285	100	205,285	2,018,353	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, 2022	Investment Flows		Accumulated Outflow of Investment from Taiwan as of December 31, 2022	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Income (Loss) Recognized	Carrying Value as of December 31, 2022 (Note 1)	Accumulated Inward Remittance of Earnings as of December 31, 2022
					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	\$ (7,296)	100	\$ (7,296)	\$ 119,859	\$ -
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	28,502	100	28,502	238,201	-
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.	-	-	-	-	(4,652)	100	(4,652)	5,029	-
Jiaxing 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.	-	-	-	-	(14)	100	(14)	754	-
Jiu Xin Estate (Wuxi) Limited (Note 2)	Real estate development	USD 207,000	Investment in company located in mainland China indirectly through Sinyi Estate (Hong Kong) Limited	3,900,696	-	-	3,900,696	33,680	100	33,680	5,994,336	-
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.	-	-	-	-	(1,460)	100	(1,460)	(667)	-
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. and Sinyi Real Estate (Shanghai) Limited	-	-	-	-	45,329	100	45,329	1,407,548	-
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	-	-	-	-	50,353	100	50,353	1,861,537	-
Sinyi Real Estate (Wuxi) Limited (Note 3)	Development of commercial and residential building; property management, real estate brokerage, decoration construction and equipment leasing.	RMB 100	Investment in company located in Mainland China indirectly through Xin Yeh Business Administration (Shanghai) Ltd.	-	-	-	-	4,931	100	4,931	(1,936)	-
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)	-	- (Note 7)	-	-
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, 2022	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment (Note 6)
\$9,577,167	\$22,523,067	\$ -

(Continued)

- Note 1: The carrying value was converted into New Taiwan dollars at the exchange rates of US\$1=NT\$30.71 and US\$1=RMB6.9669 on December 31, 2022.
- 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 Company established the subsidiaries in 2020; as of December 31, 2022, the capital injection had not been completed.
- Note 9: Ke Wei Shanghai Real Estate Management Consulting Inc. changed its name to YiShan Shanghai Real Estate Management Consulting Inc. in September 2022.

(Concluded)

**TABLE 7****SINYI REALTY INC.****INFORMATION OF MAJOR SHAREHOLDERS  
AS OF DECEMBER 31, 2022**

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
Sinyi Employee Stock Ownership Trust Account which opened with CITIC Bank	39,538,799	5.36

Note 1: 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.

Note 2: If the above-mentioned information is that the shareholders hand over the shares to the trust, it will be disclosed separately by the trustee who opened the trust account by client. For information on insider equity declarations by shareholders who hold more than 10% of the ownership in accordance with the Securities and Exchange Act, their shareholdings include the shares held by themselves plus the shares they hand over to the trust and have the right to exercise decision-making power over the trust property, etc., please refer to the Public Information Observatory.

# SINYI REALTY INC.

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## SINYI REALTY INC.

STATEMENT OF FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME  
DECEMBER 31, 2022

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

Financial Instrument	Description	Shares	Face Value Per Share (\$)	Total Face Value Amount	Discount Rate	Transaction Costs	Accumulated Impairment Loss	Fair Value Dollar Per Share	Total Fair Value Amount	Note
Listed shares										
E.SUN Financial Holding Co., Ltd.		4,562,282	\$ 10.00	\$ 45,623	-	\$ 31,771	\$ -	\$ 24.05	\$ 109,723	
Unlisted shares										
Han Yu Venture Capital Co., Ltd.		5,000,000	10.00	50,000	-	50,000	-	6.89	34,467	
PChome Investment Co., Ltd.		196,350	10.00	1,964	-	1,964	-	-	-	
Cité Publishing Holding Ltd.		7,637	1.00	8	-	4,874	-	-	-	
Cité Information Services Co., Ltd.		106,392	10.00	1,064	-	2,011	-	-	-	
NOWnews Network Co., Ltd.		5,049,632	10.00	50,496	-	72,200	-	2.80	14,139	
B Current Impact Investment Fund 3		1,000,000	10.00	10,000	-	10,000	-	12.67	12,673	
LEJU Technology Co., Ltd.		364,964	10.00	36,496	-	50,000	-	121.00	44,125	
				<u>150,028</u>		<u>191,049</u>			<u>105,404</u>	
				<u>\$ 195,651</u>		<u>\$ 222,820</u>			<u>\$ 215,127</u>	



## SINYI REALTY INC.

## STATEMENT OF FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

DECEMBER 31, 2022

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

Financial Instrument	Description	Shares	Face Value Per Share (\$)	Total Face Value Amount	Discount Rate	Transaction Costs	Accumulated Impairment Loss	Fair Value Dollar Per Share	Total Fair Value Amount	Note
Unlisted shares										
B Current Impact Investment Fund 5		-	\$ -	<u>\$ -</u>		<u>\$ 2,500</u>	-	-	<u>\$ 2,500</u>	

**SINYI REALTY INC.****STATEMENT OF NOTES AND TRADE RECEIVABLES, NET****DECEMBER 31, 2022****(In Thousands of New Taiwan Dollars)**

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<b>Client Name</b>	<b>Description</b>	<b>Amount</b>
Notes receivable		
From operating activities		
Client A		\$ 20,000
Client B		9,239
Client C		8,900
Client D		6,966
Client E		6,390
Client F		5,151
Others (Note 1)		<u>8,156</u>
		<u>\$ 64,802</u>
Trade receivables		
Others (Note 1)		\$ 635,066
Less: Allowance for impairment loss		<u>(702)</u>
		<u>\$ 634,364</u>

Note 1: The amount due from individual client included in others does not exceed 5% of the account balance.

Note 2: The total amount of accounts outstanding over a year is \$9,713.

## SINYI REALTY INC.

STATEMENT OF INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD  
DECEMBER 31, 2022  
(In Thousands of New Taiwan Dollars)

Company Name	Beginning Balance		Increase		Decrease		Ending Balance			Net Value	
	Shares/Units	Carrying Value	Shares/Units	Carrying Value	Shares/Units	Carrying Value	Shares/Units	Percentage of Ownership (%)	Carrying Value	Amount/Per Share	Total Carrying Amount
Sinyi International Limited (Note 1)	345,248,785	\$ 11,752,222	-	\$ 498,025	-	\$ -	345,248,785	100.00	\$ 12,250,247	35.48	\$ 12,250,247
Sinyi Limited (Note 2)	57,277,000	476,798	-	37,098	-	(326,020)	57,277,000	100.00	187,876	3.28	187,876
Sinyi Development Inc. (Note 3)	203,500,000	1,540,792	-	97,358	-	-	203,500,000	100.00	1,638,150	8.05	1,638,150
Sinyi Global Asset Management Co., Ltd (Note 4)	5,000,000	119,799	-	33,137	-	(39,608)	5,000,000	100.00	113,328	22.67	113,328
Heng-Yi Intelligent Technology Inc. (Note 5)	1,200,000	7,455	-	-	-	(791)	1,200,000	80.00	6,664	5.55	6,664
Jui-Inn Consultants Co., Ltd. (Note 6)	500,000	815	-	-	-	(34)	500,000	100.00	781	1.56	781
Sinyi Culture Publishing Inc. (Note 7)	-	2,334	-	-	-	(603)	-	99.20	1,731	-	1,731
An-Sin Real Estate Management Ltd. (Note 8)	7,650,000	135,717	-	14,483	-	(18,452)	7,650,000	51.00	131,748	17.22	131,748
Sinyi Interior Design Co., Ltd. (Note 9)	95,000	18,481	-	816	-	(3,084)	95,000	19.00	16,213	170.66	16,213
Yowoo Technology Inc. (Note 10)	2,500,000	5,648	1,000,000	10,000	-	(9,953)	3,500,000	100.00	5,695	1.63	5,695
Rakuya International Info. Co., Ltd. (Note 11)	2,580,745	33,141	-	16,080	-	-	2,580,745	22.51	49,221	19.07	49,221
Sin Chiun Holding Sdn. Bhd. (Note 12)	243,537,766	1,490,001	-	72,277	-	(38,219)	243,537,766	100.00	1,524,059	6.26	1,524,059
Sinyi Real Estate Consulting Limited (Note 13)	500,000	(11,134)	-	19,540	(500,000)	(8,406)	-	-	-	-	-
Sinju Holding Sdn. Bhd. (Note 14)	4,135,900	16,444	4,064,100	28,778	-	(12,463)	8,200,000	100.00	32,759	4.00	32,759
Sinyi Morefun Tourism Development Ltd. (Note 15)	11,290	15,607	3,100	93,922	-	(45,814)	14,390	100.00	63,715	4,427.73	63,715
Jin Mei Travel Service Co., Ltd. (Note 16)	-	4,497	-	-	-	(738)	-	100.00	3,759	-	3,759
Sinkang Administration Sdn. Bhd. (Note 17)	-	-	8,000,000	31,964	-	(6,295)	8,000,000	100.00	25,669	3.21	25,669
Zhansin Tourism Development Sdn. Bhd. (Note 18)	-	-	500,000	3,462	-	(33)	500,000	100.00	3,429	6.86	3,429
Zhancheng Tourism Development Sdn. Bhd. (Note 19)	-	-	2,500,000	15,844	-	(1,085)	2,500,000	100.00	14,759	5.90	14,759
		15,608,617		972,784		(511,598)			16,069,803		\$ 16,069,803
Add: Credit balance of investments accounted for using the equity method classified as non-current liabilities		11,134		(11,134)		-			-		
		<u>\$ 15,619,751</u>		<u>\$ 961,650</u>		<u>\$ (511,598)</u>			<u>\$ 16,069,803</u>		

Note 1: The increases in the current period is due to the share of the profit of subsidiaries NT\$238,885 thousand and the exchange differences from the translation of financial statements of foreign operations NT\$259,140 thousand.

Note 2: The increase in the current period is due to the exchange differences from the translation of financial statements of foreign operations NT\$37,098 thousand; the decreases in the current period is due to the share of losses subsidiaries NT\$202,122 thousand, an unrealized loss from financial assets NT\$123,792 thousand and the difference of equity transaction NT\$106 thousand.

Note 3: The increase in the current period is due to the share of the profit of subsidiaries NT\$97,358 thousand.

Note 4: The increase in the current period is due to the share of the profit of subsidiaries NT\$33,137 thousand; the decreases in the current period is distributed as cash dividend received NT\$39,000 thousand and related party's remeasurement of net defined benefit obligation after tax NT\$608 thousand.

Note 5: The decrease in the current period is due to the share of losses subsidiaries NT\$791 thousand.

Note 6: The decrease in the current period is due to the share of losses subsidiaries NT\$34 thousand.

Note 7: The decrease in the current period is due to the share of losses subsidiaries NT\$603 thousand.

Note 8: The increases in the current period is due to the share of the profit of subsidiaries NT\$13,435 thousand and related party's remeasurement of net defined benefit obligation after tax NT\$1,048 thousand; the decrease in the current period is distributed as cash dividend received NT\$18,452 thousand.

Note 9: The increase in the current period is due to the share of the profit of subsidiaries NT\$816 thousand; the decreases in the current period is distributed as cash dividend received NT\$497 thousand and unrealized loss on financial assets NT\$2,587 thousand.

Note 10: The increase in the current period is due to additions in investment of 1,000,000 of shares and NT\$10,000 thousand; the decrease in the current period is due to the share of losses subsidiaries NT\$9,953 thousand.

Note 11: The increase in the current period is due to the share of the profit of subsidiaries NT\$16,080 thousand.

Note 12: The increase in the current period is exchange differences from the translation of financial statements of foreign operations NT\$72,277 thousand; the decrease in the current period is due to the share of losses subsidiaries NT\$38,219 thousand.

Note 13: The increases in the current period is the merger of the long-term investment with NT\$19,540 thousand of Sinyi Real Estate Consulting Limited; the decrease in the current period is due to the share of losses subsidiaries NT\$8,406 thousand.

(Continued)

Note 14: The increases in the current period is due to additions in investment of 4,064,100 of shares and NT\$27,774 thousand and the exchange differences from the translation of financial statements of foreign operations NT\$1,004 thousand; the decrease in the current period is due to the share of losses subsidiaries NT\$12,463 thousand.

Note 15: The increases in the current period is due to additions in investment of 3,100 of shares and NT\$93,736 thousand and the exchange differences from the translation of financial statements of foreign operations NT\$186 thousand; the decrease in the current period is due to the share of losses subsidiaries NT\$45,814 thousand.

Note 16: The decrease in the current period is due to the share of losses subsidiaries NT\$738 thousand.

Note 17: The increase in the current period is due to additions in investment of 8,000,000 of shares and NT\$31,964 thousand; the decreases in the current period is due to the share of losses subsidiaries NT\$6,263 thousand and the exchange differences from the translation of financial statements of foreign operations NT\$32 thousand.

Note 18: The increases in the current period is due to additions in investment of 500,000 of shares and NT\$3,401 thousand and the exchange differences from the translation of financial statements of foreign operations NT\$61 thousand; the decrease in the current period is due to the share of losses subsidiaries NT\$33 thousand.

Note 19: The increases in the current period is due to additions in investment of 2,500,000 of shares and NT\$15,590 thousand and the exchange differences from the translation of financial statements of foreign operations NT\$254 thousand; the decreases in the current period is due to the share of losses subsidiaries NT\$1,085 thousand.

(Concluded)

**SINYI REALTY INC.****STATEMENT OF CHANGE IN RIGHT-OF-USE ASSETS****DECEMBER 31, 2022****(In Thousands of New Taiwan Dollars)**

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<b>Item</b>	<b>Balance at January 1, 2022</b>	<b>Additions</b>	<b>Deductions</b>	<b>Balance at December 31, 2022</b>	<b>Remark</b>
Buildings	\$ 3,641,419	\$ 542,948	\$ (283,613)	\$ 3,900,754	
Office equipment	2,587	-	-	2,587	
Transportation equipment	3,894	2,315	-	6,209	
Other equipment	<u>13,941</u>	<u>4,766</u>	<u>(9,611)</u>	<u>9,096</u>	
	<u>\$ 3,661,841</u>	<u>\$ 550,029</u>	<u>\$ (293,224)</u>	<u>\$ 3,918,646</u>	

**SINYI REALTY INC.**

**STATEMENT OF CHANGES IN ACCUMULATED DEPRECIATION OF RIGHT-OF-USE ASSETS  
DECEMBER 31, 2022**

**(In Thousands of New Taiwan Dollars)**

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<b>Item</b>	<b>Balance at January 1, 2022</b>	<b>Additions</b>	<b>Deductions</b>	<b>Balance at December 31, 2022</b>	<b>Remark</b>
Buildings	\$ 777,660	\$ 455,677	\$ (270,454)	\$ 962,883	
Office equipment	813	520	-	1,333	
Transportation equipment	2,163	1,684	-	3,847	
Other equipment	<u>4,638</u>	<u>2,476</u>	<u>(5,067)</u>	<u>2,047</u>	
	<u>\$ 785,274</u>	<u>\$ 460,357</u>	<u>\$ (275,521)</u>	<u>\$ 970,110</u>	

## SINYI REALTY INC.

STATEMENT OF BONDS PAYABLE  
DECEMBER 31, 2022  
(In Thousands of New Taiwan Dollars)

Bonds Name	Trustee	Issuance Date	Interest Payment Date	Coupon Rate (%)	Amount					Repayment and Interest Payment	Collateral
					Total Amount (In Thousands)	Repayment Amount	Balance, End of Year	Premium (Discount)	Carrying Value		
Sinyi Realty Inc. 1 <sup>st</sup> Unsecured Coporate Bond in 2018	Department of Trusts-E.SUN BANK	2018.05.08	May 8, annually	1.07	\$ 1,900,000	\$ -	\$ 1,900,000	\$ -	\$ 1,900,000	Principal is repaid at maturity. Interest is paid annually. Maturity date: 2023.05.08	N/A
Sinyi Realty Inc. 2 <sup>nd</sup> Unsecured Coporate Bond in 2018	Yuanta Securities Co., Ltd. and E.SUN BANK	2018.07.27	July 27, annually	1.05	1,800,000	-	1,800,000	-	1,800,000	Principal is repaid at maturity. Interest is paid annually. Maturity date: 2023.07.27	N/A
Sinyi Realty Inc. 1 <sup>st</sup> Unsecured Coporate Bond in 2019	Department of Trusts-E.SUN BANK	2019.11.28	November 28, annually	1.25	900,000	-	900,000	-	<u>900,000</u>	Principal is repaid at maturity. Interest is paid annually. Maturity date: 2029.11.28	N/A
									4,600,000		
Less: Current portion									<u>(3,700,000)</u>		
									<u>\$ 900,000</u>		

## SINYI REALTY INC.

STATEMENT OF LONG-TERM LOANS  
 DECEMBER 31, 2022  
 (In Thousands of New Taiwan Dollars)

Acceptance Agency	Type	Balance, End of Year	Contract Period	Interest Rate (%)	Loan Commitment	Mortgage or Pledged Assets
E.SUN Bank	Midterm secured borrowings	\$ 1,100,000	2021.04.27-2024.04.27	Floating-interest rate 1.48%	\$ 2,420,000	Sinyi building 1F to 5F and third basement floor
Bank of East Asia	Midterm secured borrowings	1,000,000	2022.09.21-2025.09.20	Floating-interest rate 1.6142%-1.7488%	1,600,000	Sinyi building 6F to 7F and first basement floor
DBS Bank	Midterm credit borrowing	500,000	2022.01.21-2024.01.21	Floating-interest rate 1.58%	1,428,400	-
Mega Bank	Midterm credit borrowing	500,000	2022.09.28-2025.09.28	Floating-interest rate 1.62%-1.745%	500,000	-
Taiwan Cooperative Bank	Midterm credit borrowing	300,000	2022.07.22-2024.07.22	Floating-interest rate 1.451%	500,000	-
Bank of Taiwan	Midterm credit borrowing	100,000	2022.03.11-2024.03.11	Floating-interest rate 1.905%	200,000	-
International Bills Finance Corporation	Midterm credit borrowing	150,000	2021.02.04-2024.02.03	Fixed-interest rate 0.928%	500,000	-
China Bills Finance Corporation	Midterm credit borrowing	<u>150,000</u>	2021.02.04-2024.02.03	Fixed-interest rate 0.938%	<u>500,000</u>	-
		<u>\$ 3,800,000</u>			<u>\$ 7,648,400</u>	



**SINYI REALTY INC.****STATEMENT OF LEASE LIABILITIES****DECEMBER 31, 2022****(In Thousands of New Taiwan Dollars)**

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<b>Item</b>	<b>Description</b>	<b>Lease Terms</b>	<b>Discount Rate</b>	<b>Ending Balance</b>	<b>Note</b>
Buildings	Branch store rental	2019.01.01-2031.12.31	0.93%-1.62%	\$ 2,992,656	
Office equipment	Photocopier rental	2019.01.01-2025.07.27	1.20%-1.29%	1,317	
Transportation equipment	Vehicle rental	2020.04.29-2025.06.30	1.20%-1.28%	2,369	
Other equipment	Advertising wall rental	2019.01.01-2029.03.31	0.94%-1.62%	<u>6,916</u>	
				3,003,258	
Less: Current portion				<u>(465,160)</u>	
				<u>\$ 2,538,098</u>	

**SINYI REALTY INC.**

**STATEMENT OF OPERATING REVENUE**

**DECEMBER 31, 2022**

**(In Thousands of New Taiwan Dollars)**

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<b>Item</b>	<b>Amount</b>
Service revenue - commission revenue	\$ 10,324,059
Less: Commission return	(178,885)
Commission discount	<u>(67,544)</u>
	<u>\$ 10,077,630</u>

**SINYI REALTY INC.**

**STATEMENT OF OPERATING COST**

**DECEMBER 31, 2022**

**(In Thousands of New Taiwan Dollars)**

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<b>Item</b>	<b>Amount</b>
Salary expenses	\$ 4,811,250
Advertising expenses	860,482
Depreciation	521,195
Others (Note)	<u>1,355,743</u>
	<u>\$ 7,548,670</u>

Note: The amount of each item in others does not exceed 5% of the account balance.

**SINYI REALTY INC.**

**STATEMENT OF OPERATING EXPENSE**

**DECEMBER 31, 2022**

**(In Thousands of New Taiwan Dollars)**

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<b>Item</b>	<b>Amount</b>
Salary expenses	\$ 469,999
Advertising expenses	206,419
Service expenses	63,113
Others (Note)	<u>339,825</u>
	<u>\$ 1,079,356</u>

Note: The amount of each item in others does not exceed 5% of the account balance.

## SINYI REALTY INC.

STATEMENT OF LABOR, DEPRECIATION AND AMORTIZATION BY FUNCTION  
(In Thousands of New Taiwan Dollars)

	For the Year Ended December 31					
	2022			2021		
	Operating Costs	Operating Expenses	Total	Operating Costs	Operating Expenses	Total
Employee benefits expense						
Salary and bonus	\$ 4,811,250	\$ 459,641	\$ 5,270,891	\$ 6,559,749	\$ 468,255	\$ 7,028,004
Labor and health insurance	370,912	40,991	411,903	386,190	35,778	421,968
Pension	195,764	19,701	215,465	191,379	16,801	208,180
Board compensation	-	10,358	10,358	-	9,810	9,810
Other employee benefits	<u>135,525</u>	<u>47,189</u>	<u>182,714</u>	<u>133,457</u>	<u>21,436</u>	<u>154,893</u>
	<u>\$ 5,513,451</u>	<u>\$ 577,880</u>	<u>\$ 6,091,331</u>	<u>\$ 7,270,775</u>	<u>\$ 552,080</u>	<u>\$ 7,822,855</u>
Depreciation expenses	<u>\$ 521,195</u>	<u>\$ 29,178</u>	<u>\$ 550,373</u>	<u>\$ 495,957</u>	<u>\$ 26,695</u>	<u>\$ 522,652</u>
Amortization expenses	<u>\$ 2,610</u>	<u>\$ 23,395</u>	<u>\$ 26,005</u>	<u>\$ 2,202</u>	<u>\$ 21,279</u>	<u>\$ 23,481</u>

Note 1: As of December 31, 2022 and 2021, the Company had 5,026 and 4,982 employees, respectively. There were both 4 non-employee directors.

Note 2: a. The average employee benefits expenses were NT\$1,211 thousand and NT\$1,570 thousand for the years ended December 31, 2022 and 2021, respectively.

b. The average salary and bonus were NT\$1,050 thousand and NT\$1,413 thousand for the years ended December 31, 2022 and 2021, respectively.

Note 3: The average salary and bonus decreased by 26%.

Note 4: The Company has established an audit committee and has not appointed supervisors, thus there was no compensation to the supervisor.

Note 5: a. The remuneration of the directors of the Company shall be paid in accordance with the provisions of the Company's articles of association No. 16, considering to director's involvement in company operation, contribution the performance and the industry standard among listed companies.

b. The compensation of the directors of the Company shall be implemented by the resolution of the board of directors in accordance with the Company's articles of association No. 20.

c. The Company has established a remuneration committee, by enacting and reviewing on a regular basis for the performance evaluation and remuneration policies, systems, criteria and structure of directors and managers. Also, it evaluates on a regular basis and fixing remuneration for directors and managers. Besides, it also set an incentive remuneration plans for employees.

d. The compensation of employees and remuneration of directors should be no less than 1% of net profit before income tax, of employees, and remuneration of directors. Refer to Note 23 (compensation of employees and remuneration of directors).