

Sinyi Realty Inc.
Ethical Corporate Management Best Practice Principles

Formulated on December 28, 2010

The second amendment on July 28, 2020

- Article 1 In order to cultivate a corporate culture of ethical management and sound development, and to establish a framework for good commercial practices, Sinyi Realty Inc. (hereinafter referred to as the “Company”) hereby formulates these Ethical Corporation Management Best Practice Principles (hereinafter after referred to as these “Principles”).
- Applicable scope of these Principles extends to the Company and its group enterprises and organizations, including subsidiaries of the Company, any foundation to which the Company’s directly or indirectly cumulative contribution of funds exceeds 50 percent of total funds, and other institutions or juridical persons which are substantially controlled by the Company (hereinafter referred to as “Group Enterprises and Organizations”).
- Article 2 When engaging in commercial activities, directors, independent directors, managers, employees, and mandataries of the Company and other persons having substantial control over the Company (hereinafter referred to as "Substantial Controllers") shall not directly or indirectly offer, promise to offer, request or accept any improper benefits, nor commit unethical acts including breach of ethics, illegal acts, or breach of fiduciary duty (hereinafter referred to as "Unethical Conduct") for purposes of acquiring or maintaining benefits.
- Counterparties of the conducts referred to in the preceding paragraph include civil servants, political candidates, political parties or members of political parties, and any state-run or private-owned enterprises or institutions, and their directors, supervisors, managers, employees or substantial controllers or other stakeholders.
- Article 3 "Benefits" in these Principles refer to any valuably tangible or intangible things, including money, endowments, commissions, positions, services, preferential treatment or rebates of any type or in any name; however, benefits that are received or given in compliance with accepted social customs or under occasional circumstance, and that are not likely to affect specific rights and obligations shall be excluded.

Article 4: The Company shall comply with the Company Act, Securities and Exchange Act, Business Entity Accounting Act, Political Donations Act, Anti-Corruption Statute, Government Procurement Act, Act on Recusal of Public Servants Due to Conflicts of Interest, TWSE/GTSM listing rules, or other laws or regulations regarding commercial activities, as the basic premise for exercising ethical corporate management.

Article 5 The Company shall, in the light of the operational concepts of honesty, transparency and responsibility, approved by board of directors, formulate the policies on basis of good faith, and establish good corporate governance and risk control and management mechanism, so as to create an operational environment for sustainable development.

Article 6 The ethical management policies formulated by the Company shall clearly and thoroughly prescribe the concrete ethical management practices and the program of prevention from unethical conduct (hereinafter referred to as “Preventive Programs”), including operation procedure, conduct guidelines, and education and training.
The preventive programs formulated by the Company shall comply with relevant laws and regulations of the place where the Company and its subordinating group enterprises and organizations operate.
In the course of formulating preventive programs, the Company shall properly communicate with employees, important counterparties of business transactions, or other stakeholders.

Article 7 The Company shall establish a risk assessment mechanism against unethical conduct, analyze and assess on a regular basis business activities within their business scope which are at a higher risk of being involved in unethical conduct, and establish prevention programs accordingly and review their adequacy and effectiveness on a regular basis.

The Company shall refer to prevailing domestic and foreign standards or guidelines in establishing the prevention programs, which shall at least include preventive measures against the following:

- I. Offering and acceptance of bribes.
- II. Providing illegal political donations.
- III. Improper charitable donations or sponsorship.

- IV. Offering or acceptance of unreasonable presents, hospitality, or other improper benefits.
- V. Infringement of trade secrets, trademark rights, patent rights, copyrights, and other intellectual property rights.
- VI. Engaging in unfair competitive practices.
- VII. Damage directly or indirectly caused to the rights or interests, health, or safety of consumers or other stakeholders in the course of research and development, procurement, manufacture, provision, or sale of products and services.

Article 8 The Company and its group enterprises and organizations shall require the directors and senior managers in the management level to issue a statement of compliance with the integrity of management policy, and require their employees to comply with their integrity management policy in the terms of employment conditions.

The Company and Organization should state clearly specify in their rules and external documents and on the company website the ethical corporate management policies and the commitment by the board of directors and senior management on rigorous and thorough implementation of such policies, and shall carry out the policies in internal management and in commercial activities.

The Company shall compile documented information on the ethical management policy, statement, commitment and implementation mentioned in the first and second paragraphs and retain said information properly.

Article 9 The Company shall engage in commercial activities in a fair and transparent manner based on the principle of ethical management.

Prior to any commercial transactions, the Company shall take into consideration the legality of its agents, suppliers, clients, or other trading counterparties and whether any of them are involved in records of unethical conduct, and shall avoid any dealings with persons so involved.

When entering into contracts with its agents, suppliers, clients, or other trading counterparties, the Company shall include in such contracts terms requiring compliance with ethical corporate management policy and providing that in the event the trading counterparties are involved in unethical conduct, the Company may at any time terminate or rescind the contracts.

- Article 10 The Company and its directors, supervisors, managers, employees, mandataries, and substantial controllers shall comply with laws and regulations and the preventive programs when conducting business.
- Article 11 When conducting business, the Company and its directors, independent directors, managers, employees, mandataries, and substantial controllers, may not directly or indirectly offer, promise to offer, request, or accept any improper benefits in whatever form to or from clients, agents, contractors, suppliers, public servants, or other stakeholders.
- Article 12 When directly or indirectly offering a donation to political parties or organizations or individuals participating in political activities, the Company and its directors, independent directors, managers, employees, mandataries, and substantial controllers, shall comply with the Political Donations Act and relevant internal operational procedures of the Company, and shall not make such donations in exchange for commercial gains or business advantages.
- Article 13 When making or offering donations and sponsorship, the Company and its directors, independent directors, managers, employees, mandataries, and substantial controllers shall comply with relevant laws and regulations and internal operational procedures, and shall not surreptitiously engage in bribery.
- Article 14 The Company and its directors, independent directors, managers, employees, mandataries, and substantial controllers shall not directly or indirectly offer or accept any unreasonable presents, hospitality or other improper benefits to establish business relationship or influence commercial transactions.
- Article 15 The Company and its directors, independent directors, managers, employees, mandataries, and substantial controllers shall observe applicable laws and regulations, the Company's internal operational procedures, and contractual provisions concerning intellectual property, and may not use, disclose, dispose, or damage intellectual property or otherwise infringe intellectual property rights without the prior consent of the intellectual property rights holder.

Article 16 The Company shall engage in business activities in accordance with applicable competition laws and regulations, and may not fix prices, make rigged bids, establish output restrictions or quotas, or share or divide markets by allocating customers, suppliers, territories, or kinds of commerce.

Article 17 In the course of research and development, procurement, manufacture, provision, or sale of products and services, the Company and its directors, supervisors, managers, employees, mandataries, and substantial controllers shall observe applicable laws and regulations and international standards to ensure the transparency of information about, and safety of, their products and services; and shall also formulate publish a policy on the protection of the rights and interests of consumers or other stakeholders, and carry out the policy in their operation activities, with a view to prevent their products and services from directly or indirectly damaging the rights and interests, health, and safety of consumers or other stakeholders. Where there are sufficient facts to determine that products or services are likely to cause any hazard to the safety and health of consumers or other stakeholders, the Company shall recall those products or suspend the services immediately.

Article 18 The directors, supervisors, managers, employees, mandataries, and substantial controllers of the Company shall exercise the due care of good administrators to urge the Company to prevent unethical conduct, review the results of its implementation from time to time and continually make improvements so as to ensure thorough implementation of its ethical corporate management policies.

To achieve sound ethical corporate management, the Company shall establish a dedicated unit that is subordinate to the board of directors and responsible for formulating and supervising the implementation of the ethical corporate management policies and preventive programs. To achieve sound ethical corporate management, the Company shall establish a dedicated unit that is under the board of directors and avail itself of adequate resources and staff itself with competent personnel, responsible for establishing and supervising the implementation of the ethical corporate management policies and prevention programs. The

dedicated unit shall be in charge of the following matters, and shall report to the board of directors on a regular basis (at least once a year):

- I. Assisting in incorporating ethics and moral values into the Company's operation strategy and formulating relevant preventive measures against corruption and malfeasance to ensure ethical management in compliance with the requirements of laws and regulations.
- II. Analyzing and assessing on a regular basis the risk of involvement in unethical conduct within the business scope, adopting accordingly programs to prevent unethical conduct, and setting out in each program the standard operating procedures and conduct guidelines with respect to the company's operations and business.
- III. Planning the internal organization, structure, and allocation of responsibilities and setting up check-and-balance mechanisms for mutual supervision of the business activities within the business scope which are possibly at a higher risk for unethical conduct.
- IV. Promoting and coordinating awareness and educational activities with respect to ethics policy.
- V. Developing a whistle-blowing system and ensuring its operating effectiveness.
- VI. Assisting the board of directors and management in auditing and assessing whether the preventive measures taken for the purpose of implementing ethical management are effectively operating, and preparing reports on the regular assessment of compliance with ethical management in operating procedures.

Article 19 The Company shall formulate policies for preventing conflicts of interest to identify, monitor, and manage risks possibly resulting from unethical conduct, and shall also provide appropriate channel for directors, independent directors, managers, and other stakeholders attending or present at board meetings to voluntarily explain whether their interests would potentially conflict with those of the Company.

When a proposal at a board meeting concerns the personal interest of, or the interest of the juristic person represented by, any of the directors, independent directors, managers, and other stakeholders attending or present at board meetings of the Company, the concerned person shall state the important aspects of the relationship of interest at the given board meeting. If his or her participation is likely to prejudice the interest

of the Company, the concerned person may not participate in discussion of or voting on the proposal and shall recuse himself or herself from the discussion or the voting, and may not exercise voting rights as proxy for another director. The directors shall practice self-discipline and must not support one another improperly.

The Company's directors, independent directors, managers, employees, mandataries, and substantial controllers shall not take advantage of their positions or influence in the Company to obtain improper benefits for themselves, their spouses, parents, children or any other person.

Article 20 The Company shall establish effective accounting systems and internal control systems for business activities possibly at a higher risk of being involved in an unethical conduct, shall not have under-the-table accounts or keep secret accounts, and shall conduct reviews regularly so as to ensure that the design and enforcement of the systems remain effective.

The internal audit unit of the Company shall, based on the results of assessment of the risk of involvement in unethical conduct, devise relevant audit plans including auditees, audit scope, audit items, audit frequency, etc., and examine accordingly the compliance with the prevention programs. The internal audit unit may engage a certified public accountant to carry out the audit, and may engage professionals to assist if necessary.

The results of examination in the preceding paragraph shall be reported to senior management and the ethical management dedicated unit and put down in writing in the form of an audit report to be submitted to the board of directors.

Article 21 Operational procedures and conduct behavior guidelines established by the Company shall specifically regulate the matters that directors, independent directors, manager, employees, mandatories and substantial controllers in conducting business. Contents of such matters shall at least include:

- I. Standards for determining whether improper benefits have been offered or accepted.
- II. Procedures for offering legitimate political donations.
- III. Procedures and the standard rates for offering charitable donations or sponsorship.
- IV. Rules for avoiding work-related conflicts of interests and how they

should be reported and handled.

- V. Rules for keeping confidential trade secrets and sensitive business information obtained in the course of business.
- VI. Regulations and procedures for dealing with suppliers, clients and business transaction counterparties suspected of unethical conduct.
- VII. Handling procedures for violations of Ethical Corporation Management Best Practice Principles.
- VIII. Disciplinary measures on offenders.

Article 22 The chairman, general manager, or senior management of the Company shall communicate the importance of corporate ethics to directors, employees, and mandataries on a regular basis.

The Company shall periodically organize education, training and awareness programs for directors, independent directors, managers, employees, mandataries, and substantial controllers and invite the Company's commercial transaction counterparties to participate in the program, so that they may fully understand the Company's decision to implement ethical corporate management, the related policies, preventive programs and the consequences of committing unethical conduct.

The Company shall combine the policies of ethical corporate management with its employee performance appraisal system and human resource policies, to establish a clear and effective reward and discipline system.

Article 23 The Company shall establish a concrete and feasible violation reporting system and scrupulously operate the system. Its contents shall at least include the following matters:

- I. Establishing and publishing an internal independent misconduct reporting mailbox or hotline, or appointing other external independent institution to provide a misconduct reporting mailbox or hotline, for use of the Company's internal and external persons.
- II. Designating a dedicated personnel or unit to handle reports of misconduct., any misconduct involving a director or senior management shall be reported to the independent directors. Categories of reported misconduct and standard operating procedures for the investigation shall be formulated.
- III. Follow-up measures to be adopted depending on the severity of the circumstances after investigations of cases reported are completed.

Where necessary, a case shall be reported to the competent authority or referred to the judicial authority.

- IV. Documentation and maintenance of case acceptance, investigation processes, investigation results, and relevant documents produced.
- V. Confidentiality of the identity of whistle-blowers and the content of reported cases, and an undertaking regarding anonymous reporting.
- VI. Measures for protecting reporters from inappropriate punishments due to their reports
- VII. Incentive for whistleblowers.

When material misconduct or likelihood of material impairment to the Company comes to their awareness upon investigation, the dedicated personnel or unit handling the misconduct reporting system shall immediately prepare a report and notify the independent directors in written form.

Article 24 The Company shall provide and publish a well-defined disciplinary and appeal system for handling violations of the ethical corporate management rules, and shall make immediate disclosure on the Company's internal website regarding the information of the title and name of the violator, the date and details of the violation, and the actions taken in response thereto.

Article 25 The Company shall establish quantitative data relating to ethical management and continuously analyze and assess the effectiveness of the promotion of ethical management policy; shall disclose the measures taken for implementing ethical corporate management, the status of implementation, the foregoing quantitative data, and the effect of promotion on the Company's website, annual reports, and prospectuses; and shall disclose contents of these Principles on the Market Observation Post System.

Article 26 The Company shall from time to time pay attention to the development of relevant local and international regulations concerning ethical corporate management and encourage its directors, independent directors, managers, and employees to make suggestions, based on which the formulated ethical corporate management policies by the Company and measures taken will be reviewed and improved with a view to achieving better effect of ethical management.

Article 27 These Principles shall be implemented after being adopted by audit committee and resolved by the board of directors, and shall be reported at a shareholders' meeting. The same procedure shall apply for amendment thereto.

When the ethical corporate management best practice principles are submitted for discussion by the board of directors pursuant to the preceding paragraph, the Company shall take into full consideration each independent director's opinions. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the meeting. An independent director who cannot attend the board meeting in person to express objection or reservations shall provide a written opinion before the board meeting, unless there is some legitimate reason to do otherwise, and the opinion shall be specified in the minutes of the board meeting.