

Contact Information GRI 102-51 GRI 102-52 GRI 102-53

Thank you for reading Sinyi Realty's 8th Sustainable Development Report. This report has been prepared in accordance with the GRI Standards: Comprehensive Option. This report which is translated into English is fully consistent with the Chinese report which was submitted for the GRI Content Index, Materiality Disclosure Service, and SDG Mapping Service. We will continue to issue new editions of this report each year. The previous edition of this report was issued in August 2016.

Reference Guide

This report has been prepared in accordance with the GRI Standards: Comprehensive Option. Also, the information disclosed is in following with the international standards including the Corporate Social Responsibility Best-Practice Principles for TWSE/GTSM Listed Companies, the UN Global Compact, and ISO 26000 – Guidance on Social Responsibility.

Should you have any comments or inquiries regarding this report, please contact our Total Ethical Management (TEM) Committee by e-mail, fax, or telephone.

Contact Details :

Mrs. Dan-ni Chen, Manager at Office of the Chief Strategy Officer



Email : S254571@sinyi.com.tw



Phone : (+8862)2755-7666*8153



Fax : (+8862)2722-0515



About Our Report GRI 102-50 GRI 102-54 GRI 102-56

Reporting Period

The disclosures in this report are for the year of 2016 (1/1/2016 through 12/31/2016) and address performance with regard to Sinyi Realty's responses and actions concerning all material topics.

Report Boundaries and Scope

The information disclosed in this report is focused on Sinyi Realty, with the scope of information and data covering financial, environmental, and social aspects. Financial information is primarily focused on consolidated revenue, consistent with our financial statements.

Basis for Data Calculation

The statistical data disclosed in this report are derived from our own statistics and the results of surveys we have conducted. Data relating to finance have undergone validation by our accountants prior to public disclosure, and are presented in the usual form.

Report Management

- | | |
|-----------------------|---|
| Internal Verification | <input checked="" type="checkbox"/> The accuracy of the content and information provided in each chapter of this report has been reviewed by both the Total Ethical Management Committee and the management of each department. |
| | <input checked="" type="checkbox"/> Environmental, Social and Governance (ESG) performance and strategic goals have been reviewed by the Board of Directors. |
| | <input checked="" type="checkbox"/> Audit information has been verified by senior auditing management. |
| External Verification | <input checked="" type="checkbox"/> Financial Data – Deloitte |
| | <input checked="" type="checkbox"/> Environmental Data – ISO 14064-1–BSI Taiwan, ISO 50001–BSI Taiwan |
| | <input checked="" type="checkbox"/> Sustainability Data – AA 1000 AS(2008) - BSI Taiwan Type 1 |
| | <input checked="" type="checkbox"/> Data Quality – GRI-Referenced Service, Material Topics Disclosure Service, and Services relating to the United Nations Sustainable Development Goals. |

Ensuring the Reliability of Publicly Disclosed Information

We have commissioned the United Kingdom's BSI Group's Taiwan branch to undertake assurance and have received from them a verification statement. After this assurance, this report is in adherence to the GRI Comprehensive Option and AA 1000 AS:2008 standards.

Sinyi Realty has established a Corporate Social Responsibility website in the hopes that any interested stakeholders concerned with our performance can obtain further information regarding our efforts to implement corporate social responsibility and the results of those efforts.



CSR Website

<http://csr.sinyi.com.tw/en/>

Reports can be downloaded from

<http://csr.sinyi.com.tw/en/report/index.php>

From the Chairman GRI 102-14

Sinyi Group was established 36 years ago, and since then has always been committed to its founding spirit of putting people first. Our goal is to adhere to corporate social responsibility and provide world-class services, and we hope to realize our ultimate vision of a harmonious symbiosis with the entirety of society.

Particularly committed to the 17 Sustainable Development Goals (SDGs), we have worked hard to respond to the major goals of sustainable development, including good health and wellbeing (employees and suppliers), quality education (shareholders, employees, and society), decent work and economic growth (employees, shareholders, society, and suppliers), reduced inequalities (society), sustainable cities and communities (society), responsible consumption and production (customers and suppliers), and climate action (environment and shareholders).

We are stringent in our adherence to the six major strategic aspects laid out below in order to reconcile the interests of stakeholders and actively build a sustainable niche for the future:

1. Leading the Way with Innovative Services

In 2016, Taiwan's housing market faced a downturn with only 245,000 building transfers during the year, a record low. Confronting an unusually grim external environment, the company's employees came together as one to overcome the challenge. Not only did we continue to deepen our commitment to both talking the talk and walking the walk with regard to what should be done, we also became more determined to actively develop a variety of new innovative services to satisfy the needs of our clients.

Among the more significant of these are:

i) Providing a one-stop suite of real estate services

Building on the stable foundations provided by our existing business in real estate agency and overseas operations, we have effectively integrated up- and down-stream specializations to create the first secure service platform for renovation transactions, Decoration Escrow. Additionally, through our agency department, we have successfully created all-new sales channels, providing customers with a full suite of property services, consultations, and investment advice.

ii) Integrating digital technologies and developing digital services

We hope to provide a more diverse range of digital options to effectively boost trading efficiency and offer a richer experience for prospective property buyers. As always, we remain committed to our mission of using professional knowledge and the power of the group to serve the community, promote safe, rapid, and reasonable real estate transactions.

We are happy to report that thanks to our ongoing efforts, in 2016 we achieved a customer satisfaction rate of 95.55%, up 1.1% on 2015.

2. The Talent → Quality → Performance Cycle

Given the high-pressure nature of the real estate industry, employee turnover is higher than in most other industries. As such, we have made unceasing efforts to boost retention through various innovative policies.

2015's New Talent Oriented Program offered the first "departure option," letting new people test out the company. Through this subversion of the usual form of labor relations, we hope to help newcomers more quickly understand themselves, boost their confidence, and give them a correct perspective on the industry, making them more willing to work together with us to create a brighter future.

After successfully recruiting new people, the next major question the management team must face is how to take these tabulae rasae and inscribe upon them the attributes of righteous and committed members of the Sinyi team. To encourage the virtuous cycle of "talent → quality → performance," in 2016 we expanded our education and training program to provide employees at all levels access to systematic means to improve their professional capabilities. For stage two, we hope to implement more comprehensive training in corporate ethics through intensive programs for middle and senior management, taking concrete measures to shape a corporate culture of the wisdom and willingness of the collective.

Additionally, in 2013 we put in place our "happiness of being pregnant" program, and as of the end of 2016, a total of 290 colleagues had applied for the program, resulting in an estimated NT\$34.8 million in incentive payments being made and nearly 900 new members of the Sinyi family arriving in the world over the past four years.

Our commitment to providing a good environment to ensure our employees enjoy job security and professional growth remains constant, and we intend to continue our efforts in this direction into the future.



3. Corporate Governance = What Should be Done

Regardless of how the objective environment changes, we have always upheld our operating principle of "good faith to the very end." We strive to treat all stakeholders fairly, e.g. striving to implement corporate governance for the sake of our shareholders, establishing the Audit Committee in 2007 and the Remuneration Committee in 2010, as well as increasing the number of independent directors in 2013 such that they account for more than half the total seats on the board.

These efforts to strengthen the structure and operation of the Board of Directors are all aimed at thoroughly honoring our commitments to our shareholders, and as a result **we have received the best rating available in the Taiwan Stock Exchange's Corporate Governance Evaluation System for three years running, placing us in the top 5% of listed companies in Taiwan.**

In our operations and direction, we strive for openness and transparency in both word and deed, and so our employees are all ready to confront with courage the various diverse external challenges faced by the company. While the greater environment may not be ideal, through unity and a sense of purpose, **we were nonetheless able to earn after-tax net profits of NT\$920 million, a slight increase over the previous year's NT\$580 million, together with an increase in market share from 7.2% in 2015 to 9.6% in 2016.**

While there is still room for improvement in our performance, we will continue to spare no effort toward that improvement, and we hope our shareholders will continue to be willing to stand beside us in this.

4. Creating Mutual Prosperity with Taiwanese Community

Throughout our existence, our most fundamental credo has been "putting people first."

In our established community in the early stages of civic awareness, we have made ongoing investments in the community through our "Communities Building Action Plan," stage two of the We are One Project. This is currently the largest dedicated community building program enacted by a Taiwanese company and has helped 1,739 communities realize their dreams since its inception.

Looking to the future, in 2012 we joined forces with National Chengchi University to create the Sinyi School to promote business ethics, cultivate teachers of it, develop materials for the teaching of it, and encourage deeper research into it in the academic world. We believe that corporate ethics and corporate social responsibility are two sides of the same coin and that only through the deep internalization of corporate ethics training can we truly take corporate social responsibility from concept to action. One day, we hope, corporate ethics will be deeply embedded in the DNA of Taiwanese business.

We have also been active in harnessing the power of education in the community beyond campus gates, establishing an independent Sinyi School in 2011. Celebrating its fifth anniversary last year, the school invited experts from a range of fields to offer their various ideas, visions, and contexts, to audiences, creating a friendly, warm, and sustainable community space. We hope that by making a start, we will bring together like-minded people, connecting points into lines, lines into planes, and ultimately weaving a warm national fabric.

5. The Service Industry can Care for the Earth Too

While some political figures question the existence of global climate change, the frequency of extreme weather events in recent years tells us that this is an issue that has been ignored for too long and must be actively confronted. Even members of the service industry, which produces relatively small carbon footprints, have a duty and a responsibility as corporate citizens to do their part.

As such, last year we began working with the Environmental Protection Administration to draft the world's first real estate product category rules and become Taiwan's first property agents to receive formal carbon labeling in the Real Estate Business category. From this, one can see that the last few years have been an important milestone in our environmental actions.

To summarize the results of our efforts last year: 1) Effectively reduced carbon emissions of our real estate agency services through our green management system, with emissions from last year down to 505.91kgCO₂e per successful property transaction, down from 562.77kgCO₂e in 2015, a reduction of 10%. This saw us achieve our goal for 2017 ahead of schedule. 2) In 2016, the per capita carbon emissions from energy consumption across the entire company dropped 1% to 1,449kg from 2015's level of 1,464kg. Compared with 2010's figures, this is also a drop of as much as 40%.

We hope that through our ongoing efforts to create a low-carbon society, we will all ultimately be able to come together to effectively mitigate the impacts of climate change on humanity.

6. Supply Chain Management that Cares about Corporate Ethics

In our ongoing efforts to implement corporate ethics, practice corporate social responsibility, and to disseminate concepts of corporate ethics and corporate social responsibility, naturally an important part of this is our supply chain management. As such, since 2013 all of the company's contracts mandatorily include supplier commitment to human rights and procurement code of ethic.

In 2015, 100% of Sinyi suppliers signed on to these clauses, and this was maintained through 2016. At the same time, we continued to deepen the implementation of management auditing mechanisms, with spot-check rates remaining at over 70% and a perfect 100% of suppliers passing said checks. Additionally, we continue to bring together partners from various fields through the Sinyi Home Services Department, encouraging service providers to establish subgroups and to commit whatever they can, whether in finances or capabilities, to helping underprivileged sections of society. Our hope is that we will at the very least be able to provide people with a port in a storm and to ideally provide the warmth and shelter of home to those who need it most. We are absolutely committed to this and continue to incorporate these ideas into our supply chain management culture, and hopefully in the future more and more people will be willing to join our efforts.

Sinyi Group Chairman 

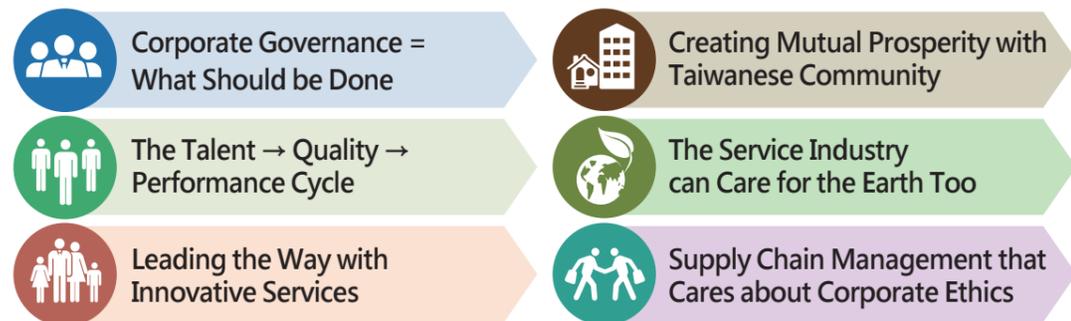
Sustainable Development

We have clearly identified the following ongoing development goals that are highly related to Sinyi Realty's principles of sustainable development:

UN Sustainable Development Goals (SDGs) and Sinyi Sustainability Principles



Sinyi Sustainability Principles



Sustainable Development

Sinyi Sustainable Development Goals

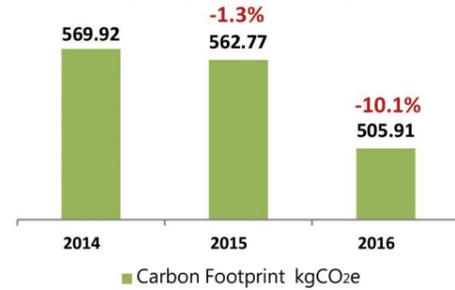
	Long-term Strategy	Medium-term Strategy	Short-term Strategy	Management Mechanism
Investors	Corporate Governance = What Should be Done GRI 201, GRI 205	Future Improvement Goals Become the leading brand in the Chinese housing industry 1 million Annual Property Trades Completed	2017 Goals NT\$20 billion in Consolidated Revenue	Our Response 01 Corporate Governance section P.20
Employees	The Talent → Quality → Performance Cycle GRI 401, GRI 403, GRI 404, GRI 405, GRI 409	Future Improvement Goals Attracting Talent Establishing a Healthy and Safe Workplace	2017 Goals 3,000 Annual job opportunities >38 hours Average training >4.0 Maintaining employees satisfaction of 4.0 or higher <5 Reducing injury rate	Our Response 02 Caring for Staff section P.30
Customers	Leading the Way with Innovative Services GRI 416, GRI 417, GRI 418	Future Improvement Goals Continuing to pursue innovation in line with corporate ethics and creating new business models	2017 Goals >85% ¹ Percentage of customer satisfaction surveys reporting full satisfaction	Our Response 03 Caring for Clients section P.48 <small>¹Note: Customer satisfaction surveys changed in 2017, adjusting the definition of "full marks" and accordingly adjusting target value</small>
Society	Creating Mutual Prosperity with Taiwanese Community GRI 203	Future Improvement Goals Creating a happy Taiwan 100% Coverage rate of Creating Communities proposals 100+ and 15,000+ Number of Sinyi School lessons and number of participants 10% Percentage of after-tax net profits invested in communities	2017 Goals Add elementary category in the Community Building Action Plan Offering specialist courses aimed at deepening real estate Promoting elderly-care projects	Our Response 04 Social Engagement section P.54
Environment	The Service Industry can Care for the Earth Too GRI 305	Future Improvement Goals Continuing carbon reduction and energy saving efforts in response to climate change 5% Reducing carbon emissions per transaction 10% Reducing per-capita carbon emissions from electricity	2017 Goals 2% Reducing carbon emissions per transaction 1% Reducing per-person power consumption carbon emissions	Our Response 05 Environmental Protection section P.64
Suppliers	Supply Chain Management that Cares about Corporate Ethics GRI 414	Future Improvement Goals Strengthening implementation of sustainability standards Deepening communication around corporate ethics	2017 Goals >75% Inspection rate of existing suppliers	Our Response 06 Supply Chain Management section P.72

ESG Performance Highlights

Environmental Performance

Carbon Footprint

Goal : Reduce carbon footprint by 3% in 2017, taking 2014 as the base year.



Energy management

Goal : Continue to refine energy management, proposing one or more energy management improvement plans each year in order to achieve an annual average per-capita electricity usage carbon emissions (kgCO₂e) reduction of 1%.

2014	<ul style="list-style-type: none"> In response to the Putting a Price on Carbon Statement, we hope to become a pioneer in global green real estate through increased interactions, doing our part to reduce environmental impact. All Sinyi Realty branches introduced UGS management systems.
2015	<ul style="list-style-type: none"> Carried out ISO 14064-1 greenhouse gas inventory and PAS 2050 carbon footprint inventory. Switched to LED lighting, changed facilities, etc.
2016	<ul style="list-style-type: none"> Drafted world's first real estate business services product category rules (PCR) and applied for carbon label. Worked together with community groups to promote green "microtourism" Passed ISO 50001 energy management systems certification

Analysis

Early Accomplishment of Goals

We began carbon footprint inventory in 2014, hoping to reduce it by 3% in three years. In 2016, we achieved a 10.1% reduction in carbon footprint on 2015, equivalent to an 11.2% reduction on 2014, achieving our goal ahead of time.

Our Actions

Being in the real estate agency service industry, our work makes use of a substantial quantity of paper for documentation and promotional materials. In 2016, we focused on reducing our paper usage, resulting in a reduction in carbon emissions at the raw materials stage from 273.33 kgCO₂e to 228.77 kgCO₂e.

Our Focus for 2016

Sinyi Realty is focused on promoting paperless services, continuing to strive for increased use of digital tools in business and marketing, thus reducing our paper usage and doing our part for the planet.

Goals Accomplished

Each year we continue to work on our energy management, and in 2016 we applied for carbon labeling in the Real Estate Business Services category and passed ISO 50001 energy management systems certification. Per-capita carbon emissions from electricity usage reduced by 1% (1,464 kgCO₂e → 1,449 kgCO₂e).

Our Actions

Sinyi Realty has always been thoroughly focused on operating and developing sustainably, paying close attention not only to our energy management, but also to our greenhouse gas emissions and carbon emissions.

Our Focus for 2016

In our 2016 energy management systems inventory, Sinyi Realty carried out planning and evaluation of many larger items of energy equipment. As part of our responsibility as a global citizen, into the future we will continue to work toward increased environmental friendliness.

Social Inclusion Performance

Social Investment as Percentage of After-tax Net Profits (%)

Goal : 10%



Analysis

Goals Not Accomplished

To help create better communities and a better society, Sinyi Realty has had a long-term commitment to assisting in community-building and the systematic promotion of social philanthropy. Since 2014, our total social investment has exceeded NT\$60 million, while the precise percentage of net profit varies by year.

Our Actions

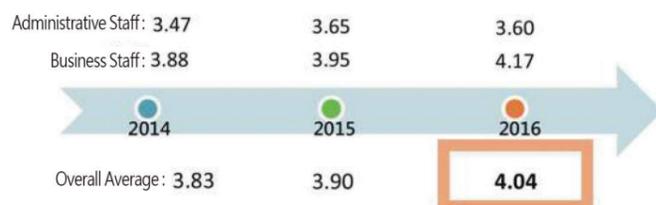
Our community building projects are focused not on one-off activities, but rather on long-term and ongoing promotion of social philanthropy, expanding the concept of "home" outward to communities, cities, and the entirety of Taiwan.

Our Focus for 2016

Launching the 10-year second stage of our community building project and continuing to expand Sinyi's volunteer activities. Through the Sinyi Charity Foundation, we focus on taking care of underprivileged groups including new immigrants and the elderly.

Management Leadership Style Survey

Goal : 4.0 (Expressed satisfaction)



Goals Accomplished

The Management Leadership Style Survey has shown an annual increase in average score since 2014, reaching 4.04 in 2016. This indicates that with regard to daily management leadership, communication, and guidance, our staff are generally and increasingly in favor, and that our managers are continuing to improve.

Our Actions

Through routine annual surveys, we continue to investigate approval levels by staff of management leadership methods at all levels, providing the results to individuals and their superiors for reference and future improvement.

Our Focus for 2016

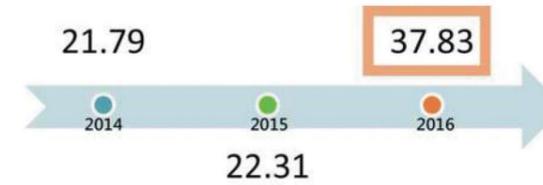
Through regional management meetings and business philosophy discussions, we help our managers stay on top of company policy and its implementation, as well as facilitating their learning of the best ways to lead and cultivate their staff.

ESG Performance Highlights

Social Inclusion Performance

Average Staff Training Hours (hours)

Goal : 30 hours



※ Source: Sinyi E-academy Training System (excl. online courses) 2014 data does not include branch lessons.

Analysis

Goals Accomplished

Sinyi Realty has always held as its core credo the importance of putting people first. In 2015, we introduced "departure options," transforming labor-management relations. In 2016, we expanded training and education efforts, helping newcomers get a more thorough understanding of the industry, passing on knowledge in greater depth, and helping staff at all levels apply that knowledge to the service of our customers.

Our Actions

Among our top priorities is the cultivation of talent, and to this end Sinyi offers new staff 180 days of training. Middle and senior management also engage in regular regional studies, and this is integrated into our overall curriculum design.

Our Focus for 2016

In line with the different knowledge and skill demands of colleagues at different stages in their careers, we have planned out a variety of lessons and courses, offering systematic improvement of skills and strengthening of business concepts.

Injury Rate

Goal : <5



※ Injury rate = (Total No. of Injury Incidents / Total Total Working Hours) x 1,000,000

Goals Not Accomplished

As the majority of our staff travel by scooter, the greater proportion of accidents and injuries come from traffic accidents. In 2016, a total of 122 people requested injury leave which totaled 1,980 days. The injury rate was 5.26.

Our Actions

When staff are injured, they are granted leave as appropriate in accordance with the relevant guidelines, and we assist them with applying for labor insurance compensation.

Our Focus for 2016

Reducing traffic accidents through stronger traffic safety promotion and training. Additionally, ensuring workplace safety through regular office inspections.

Innovative Services

Goal : In line with customer requirements, continue to propose innovative services each year that are in line with corporate ethics.

2014	<ul style="list-style-type: none"> Implemented information transparency for successful transactions. Took the lead in the industry through innovative "Staging" virtual open homes, helping clients experience residential spaces through virtual reality simulations.
2015	<ul style="list-style-type: none"> Provided a one-stop service through innovative online-to-offline (O2O) Sinyi Living platform. Launched pioneering 3D interactive house viewing service. Received Taiwanese agency rights to case in Kuala Lumpur, Malaysia, marking first expansion into the Southeast Asian market. Continued to invest in cross-departmental integration of agency, sales, and overseas real estate businesses through Comprehensive Real Estate Platform project, combining the three channels and business models.
2016	<ul style="list-style-type: none"> With digital and Internet technologies continuing to develop rapidly, we promoted the Sinyi Group "platform business." Established Shingi Fusaya Fudousan Kabushiki Kaisha with branch in Osaka, Japan, expanding into the Japan region. Sinyi Living and An-Sin Real Estate Management jointly launch industry-first "Decoration Escrow." Launched digital newsletter and Line@ account. Optimized official website and mobile app search functionality.

Goals Accomplished

To provide our customers with better service has always been Sinyi Realty's mission, and in 2016 we continued to optimize our digital tools and services, while also expanding our operations into Japan and Malaysia.

Our Actions

Innovative services have long been a major focus of Sinyi Realty, and through interactions and observations in the course of regular business, we have made careful note of what our customers need and strived to create services that meet those needs. We look forward to continuing to innovate in the services we provide and to making our customers even more satisfied with what we have to offer.

Our Focus for 2016

Sinyi Realty has launched a platform business for the group, along with a branch in Osaka, and the innovative Decoration Escrow financing service, and will continue to provide diverse services.

Corporate Governance Performance

Corporate Governance Evaluation System

Goal : A leading rank in corporate governance evaluation for listed companies.

TOP 5%
Listed Company Corporate Governance Evaluations Ranking
3 Consecutive Years

Analysis

Goals Accomplished

In terms of corporate governance, in 2016 we continued to achieve our goal of an outstanding ranking in the TWSE Corporate Governance Evaluation. Since said evaluation began, Sinyi Realty has received the highest recognition in them for three consecutive years, ranking among the top 5%

Our Actions

In order to continue improving our corporate governance, the company is sparing no effort in strengthening the structure and operation of the Board of Directors, including having independent directors account for over half the Board, a level rarely seen in the industry. The members of the Board are professional and dedicated, and work well with functional committees, helping further develop the leadership of the company.

Our Focus for 2016 - Realizing our Founding Spirit

We have always upheld our spirit of "good faith to the very end," working to improve every aspect of our operations, including bringing forward quarterly and annual financial statement announcements forward to within one month and two months respectively. The ongoing strengthening of the corporate culture in our staff remains one of the greatest drivers of forward progress for the company.

ESG Performance Highlights

Economic Responsibility / Financial Performance **Analysis**

Net Profits After Tax Goal : Continue to be profitable every year.

Year	Net Profit After Tax (con, KNTD)
2014	1,109,410
2015	586,361
2016	924,588

Goals Accomplished
As a result of a range of financial and political disruptions in Taiwan during 2016, including factors such as tax reforms, high property prices, changes in government regulation, and public anticipation, trading volume in the real estate market experienced a significant contraction. However, Sinyi Realty was able to maintain a good operating performance, with consolidated after-tax profits totaling NT\$924.588 million, a 58% increase on the previous year.

Our Actions
Faced with a changing political and economic situation, Sinyi Realty remains united and committed to excellence, working to strengthen our core services and investing in the cultivation of our talented staff.

Our Focus for 2016
Sinyi Realty strives to provide our customers with attentive service, including optimizing our website and mobile app search functionality, along with strengthening the integration of our agency work and overseas business channels through our Comprehensive Real Estate Platform service.

Supply Chain Management Performance **Analysis**

Total Suppliers Audited Goal : Audit over 70% of total key suppliers

Year	Total Suppliers Audited	Percentage
2014	105/172	61%
2015	176/239	73.6%
2016	213/278	76.6%

Goals Accomplished
Our first goal in 2016 with regard to supply chain management was to audit at least 70% of our total key suppliers, and in 2016 we audited a total of 213 of them, 76.6% of the total of 278, slightly above our target. This is the result of proactive engagement with all departments and the joint efforts of all units to implement supplier audits.

Our Actions
Source management - In our contracts with our suppliers, we have incorporated clauses pertaining to human rights; in the process of working with them, we hold monthly meetings and provide guidance through committees. Management by Walking Around - At contract sites, occasional inspections are carried out, while telephone surveys are used to get an understanding of supplier service quality.

Our Focus for 2016 - Focusing on Achieving Supplier Consensus
Only by sharing with our suppliers Sinyi's commitment to integrity and ethics in management can we truly provide the best quality service to our customers, and by earning their trust we will find it easier to get support for the implementation of future measures.

Pass Rate Goal : 100%

Year	Pass Rate
2014	99%
2015	100%
2016	100%

Goals Accomplished
Our second goal with regard to supply chain management in 2016 was to achieve a 100% pass rate for suppliers in our audits, and we achieved this goal. In 2013 the company incorporated human rights clauses into contracts, and in 2014 alone our sales department discovered only one supplier with clear actual or potential negative impacts on human rights, and so amid concerns about potential violations that year's supplier pass rate was 99%. After putting in place improvements and stronger guidance, in 2015 and 2016 the pass rate was 100%.

Our Actions
After discovering concerns regarding potential violations through our audits, the relevant departments worked to provide guidance and assistance, pursuing improvements in a limited period. Through continued cooperation and the implementation of irregular site inspections, we were able to help the supplier concerned maintain an appropriate level of service quality.

Our Focus for 2016 - Outstanding Case Exchanges with Key Suppliers
Working together with like-minded suppliers, we formed the Supplier Education and Evaluation Promotion Committee, facilitating exchanges, education, and observation, and friendship across industries through regular monthly meetings and the sharing of cases of outstanding service between suppliers.

ESG Performance Highlights

Awards and Honors, 2016

Corporate Governance	Taiwan Stock Exchange Corporation Third Corporate Governance Evaluation Top 5% of listed companies	Harvard Business Review Taiwan Top 50 CEOs 41st Individual awards	The Real Estate Association of the Republic of China 2016 FIABCI-Taiwan Real Estate Excellence Awards Annual Property Figures Awards
	Customer Service	Management Magazine Ideal Brands Consumer Survey 1st Real Estate Agents Category (23rd consecutive year)	30 magazine 6th Young Generation Brand Survey Most Used Brand Most Desired Brand Twin Victories
Social Inclusion		CommonWealth Magazine Gold Medal Service Industry Survey Leader Real Estate Agents Category	Commercial Times Taiwan Service Industry Review 2nd Real Estate Agents Category
	Global Views Monthly 12th Corporate Social Responsibility Awards Model Award, Service Group First Prize, Happy Businesses Group	Foundation for Public Relations 2016 Outstanding PR Award Award for Outstanding Corporate Social Responsibility	Enterprise Asia 2016 Asia Responsible Entrepreneurship Awards Social Empowerment Award
	CommonWealth Magazine Corporate Citizenship Award 1st Place, Mittelstand Group (Won 10 consecutive years)	Taiwan Institute for Sustainable Energy 9th Taiwan Corporate Sustainability Awards Top Ten Model Sustainable Enterprises Award · Talent Development Award · Social Inclusion Award · (Non-manufacturing) Best Reporting Award Chairman Chou Chun-chi received Outstanding Figures in Corporate Sustainability Award	



Negative Information and Responses Thereto, 2016 GRI 417-3

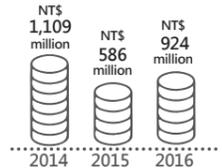
Negative Information : Incidents of non-compliance in marketing communication	Response and Actions toward Improvement
In 2016, Sinyi Realty was entrusted with 77,051 cases, among which one case of violation was noted: "Due to a lack of a filtering system for internal systems, Sinyi Realty suffered one case of publishing untrue content in an online advertisement, resulting in a violation of the Regulations on Real Estate Agency Management." This equates to 0.0013% of cases.	Sinyi Realty took action to address the internal mechanism issue, carrying out a systematic reinforcement to ensure that all marketing content is accurate and to avoid any future cases of infringement. With regard to the staff side, we also undertook internal training and promotion of the legal requirements, incorporating the matter into training materials to further raise awareness among our staff of the law. Through both systemic and staff-related refinements, we have reduced the risk of future marketing non-compliance.

2016 Performance Highlights

TOP 5%
Listed Company Corporate Governance Evaluations Ranking

Received outstanding ranking (top 5% of listed companies) for three consecutive years in TWSE Corporate Governance Evaluations.

NT\$ 924 million
After-tax Net Profits



97 staff members
Recipients of NT\$120,000 grant for birth of their second children

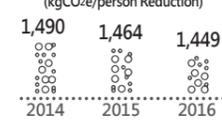
With the highest maternity benefits in the nation, NT\$120,000, we have awarded staff members a total of NT\$34.8 million in grants. In 2016, a total of 217 new children joined the Sinyi family (both first- and second-born).

14,335
Hours of Volunteer Service by Sinyi Staff

In 2016, our volunteer efforts had a total of 1,674 participants helping all across Taiwan.

58kgCO₂e/person Reduction
Greenhouse Gas Emissions

Year on year, per-capita emissions are declining.



TOP 1
Steady at the Top of the Real Estate Agency Industry

Number one in revenues for 23 consecutive years, a steady seat at the top of the real estate agency industry.

9.6%
Market Share

Sinyi Realty continues to strengthen its commitment to doing what should be done, and as a result, we enjoyed a 7.2% growth in market share compared with the previous year.

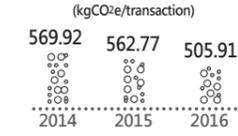
3,922
Employees

As of the end of 2016, this was the total number of Sinyi Realty staff. In 2015, this was 3,909. In 2014, this was 4,059.

95
Sinyi Lecture Hall Lessons

In 2016, these lessons saw a total of 16,428 participants with an average of 173 people per lesson.

10% Reduction
Carbon Footprint per Successful Transaction



582
Directly-operated Branches in Asia

433 in Taiwan, 140 in China, 9 in Japan, and expanded business into Malaysia in 2016, a demonstration of our ongoing growth despite circumstances

95.55%
Customer Satisfaction

Rose by 1.1% over 2015's level of 94.45%. In 2014, the figure was 91.43%.

Innovative Recruitment Approaches
50+50

We continued to implement our policy of a guaranteed monthly salary of NT\$50,000 and another NT\$50,000 for the first month after a staffer's departure, along with a 30-day work appraisal program, thus continuing to optimize our recruitment and training mechanism.

100%
Percentage of Suppliers Signed on to Human Rights Clauses

From July 2013, we have required suppliers contracts to include clauses dealing with suppliers rights and procurement ethics standards.

1st in the World
Passed Carbon Labeling and ISO 50001

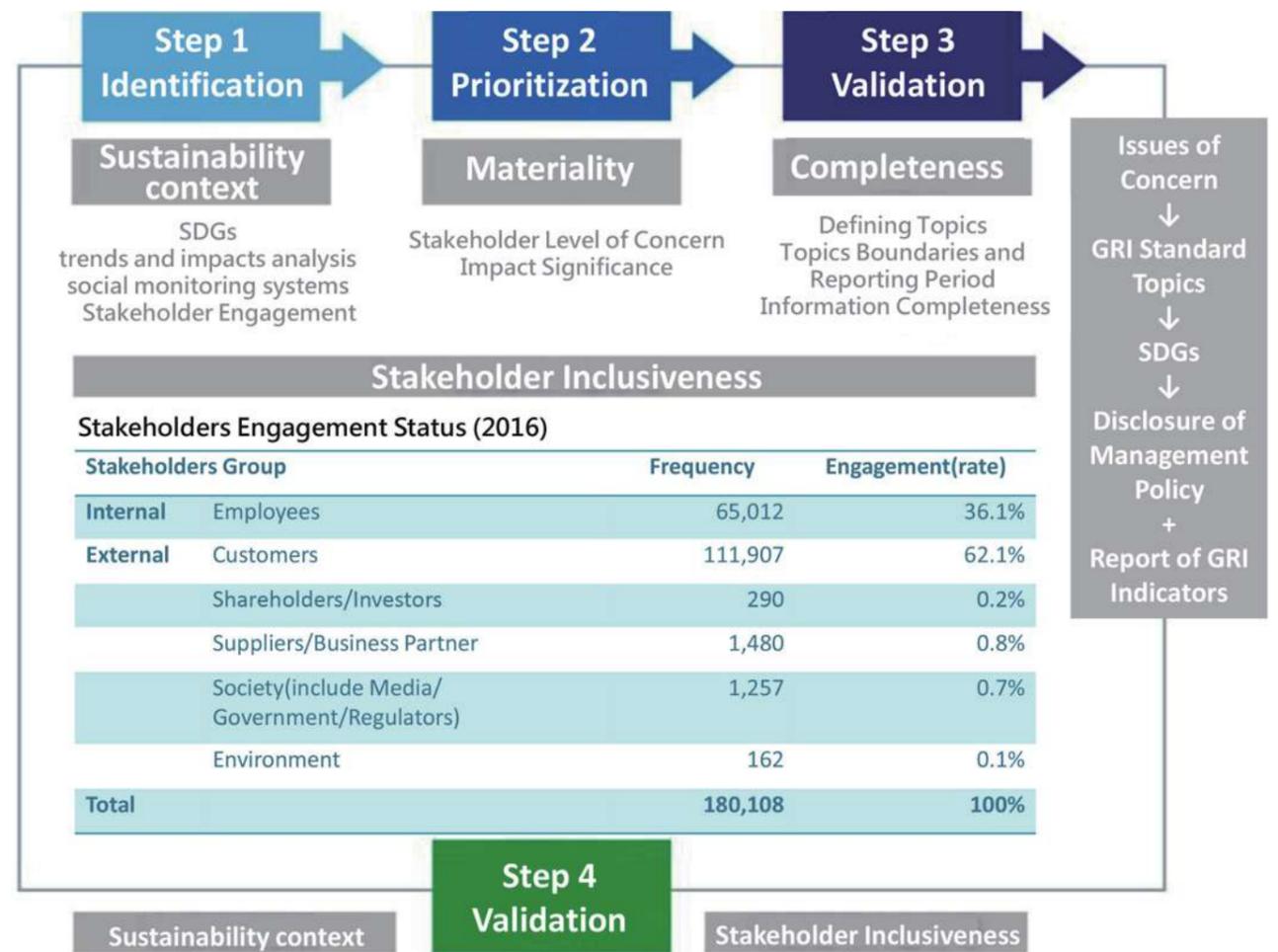
We are the first real estate brokerage in the world to receive carbon labeling and pass ISO 50001 energy management. Also the only real estate brokerage to pass PAS 2050 Carbon Footprint and ISO14064-1 certification.

Material Topics Management

Material Topics Evaluation Process GRI 102-42 GRI 102-44

Through analyzing the global situation and conducting observations through social monitoring systems, Sinyi Realty collects information about sustainability issues of concern to stakeholders. Undertaking trends and impacts analysis with internal experts, the Total Ethical Management Committee identifies, prioritizes, verifies, and inspects issues in line with their sustainability context, materiality, thoroughness, and stakeholder tolerance.

First, they identify the major stakeholders and, through both internal and external channels including global and industry standards, social monitoring systems, and internal experts, collects relevant information on issues of concern to them. Next, these issues are prioritized and analyzed for level of concern and level of impact significance, evaluated in light of the principles of sustainable development, and then identified as material topics. After this, these issues are verified and categorized under appropriate SDGs, defined through the value chain. Finally, we inspect their content for consistency with principles.



Material Topics Management

Step 1 : Identification

01 Identifying Stakeholders In accordance with the five principles of the AA1000 SES-2011 Stakeholder Engagement Standard (SES), we identified a total of **6 Stakeholders** with whom we aimed to communicate in the 2016 CSR Report.

02 Collecting Issues of Concern In line with global guidelines and standards, the United Nations Sustainable Development Goals (SDGs), industrial guidelines and standards, benchmarks from within the industry and from other industries, and annual organization goals, Sinyi collected sustainability-related issues. Through feedback collected via questionnaires distributed among internal experts regarding issues of concern, we conducted trends and impacts analysis, while also collecting a broad range of opinions from stakeholders and information from media reports through social monitoring systems. In addition, we use online surveys, telephone surveys, in-person surveys, mail, and seminars to collect stakeholder feedback on sustainability issues.

Understanding the Sustainable Development Goals (SDGs)

Conducting in-depth analysis of the 17 goals and 169 targets of the United Nations Sustainable Development Goals, we can better understand the content of each of these targets, their benefits to the company, and how they help companies meet the necessary basic standards for responsibility.

Trends and Impacts Analysis

Issuing questionnaires to senior management from the Total Ethical Management Committee and to staff responsible for the promotion of corporate social responsibility, we asked internal experts to identify topics and other related issues with regard to their impact on Sinyi Realty services. Thus we were able to get an understanding of these experts' assessments of our ability to respond to these issues, of the issues' possible impact on the company, and of future trends.

Social Monitoring Systems

When identifying material topics, we also undertake further statistical analysis of online opinion and related media reports. In 2013, Sinyi Realty established our Social Monitoring Systems, which are used to collect an expanded range of stakeholder opinion and media reporting information online. Analyzing this, we can further identify the degree of concern and impact of sustainability issues among stakeholders.

Stakeholder Engagement **GRI 102-37** **GRI 102-40** **GRI 102-43**

Through online surveys, telephone interviews, in-person interviews, mail, and seminars, we collect and analyze the level of concern among stakeholders with regard to sustainability issues.

Material Topics Management

Step 2 : Prioritization

03 Analyzing Issues for Level of Concern and Impact Significance After listing out the totality of issues of potential concern regarding disclosure in this report among stakeholders and Sinyi Realty, through various channels we communicated with stakeholders on them, receiving a total of **180,108** responses. Surveys were then distributed to the senior managers of the Total Ethical Management Committee and staff involved in the promotion of corporate social responsibility, seeking opinions from 17 internal experts analyzing each issue for the level of significance of their economic, environmental, and social impacts.

04 Surveying Stakeholder Level of Concern Through the aforementioned approach, including questionnaires, Social Monitoring Systems, and other channels, we communicated with stakeholders to understand their level of concern regarding each of the sustainability issues and their impact on assessment and decision-making.

05 Analyzing Issues for Significance of ESG Impacts Surveys were then distributed to the senior managers of the Total Ethical Management Committee and staff involved in the promotion of corporate social responsibility, seeking opinions internal experts analyzing each issue for the level of significance of their ESG impacts.

04 Analyzing Sustainable Development Goals (SDGs) Primary screening of the SDGs and their relationship to Sinyi, along with a review of the value chain and the positive and negative impacts Sinyi's operations may have on the SDGs was conducted, with Sinyi's contributions and value creation in connection to sustainability goals also assessed. This resulted in a prioritization of the issues.

05 Deciding on Material topics We convened a **Material topics Decision Meeting**, with senior management from the Total Ethical Management Committee analyzing each issue of concern for its impact on stakeholder assessments and decision-making, as well as the significance of its ESG impacts. From there, based on the **six principles of sustainable development**, their materiality was analyzed. After completing this, we defined the **lower threshold for materiality as 65 points (total of influence and impact)**, ultimately compiling a list of 37 material topics. The matrix of material topics according to impact on stakeholder assessments and decision-making and significance of ESG impacts is as follows:

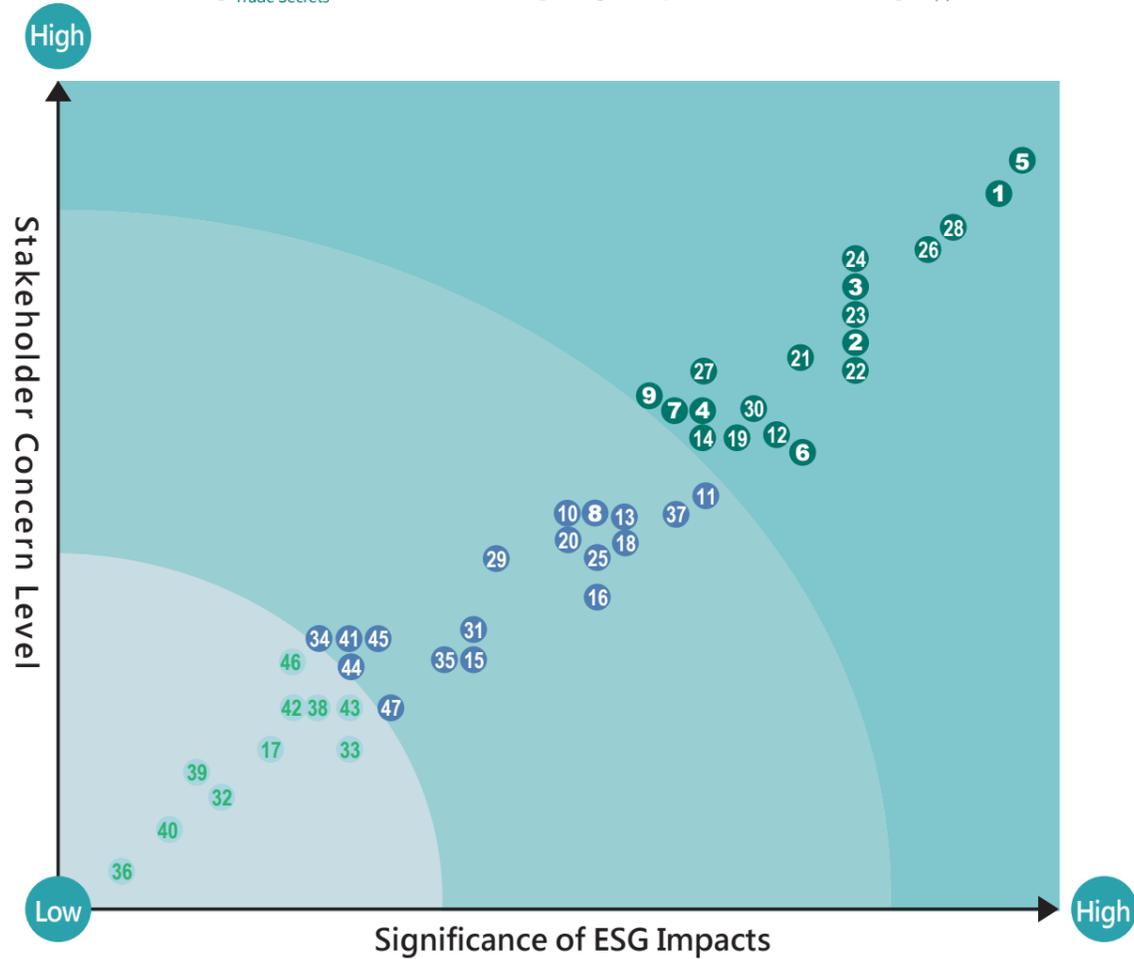
37 Material topics

Stakeholders	Significance	Engagement Methods	Frequency	Topics of Concern	Engagement Results	Our Responses	The Path of Response
Investors	Regardless of the size of their capital contributions, all shareholders are funders of this company, and thus all deserve equal treatment so that the information collected from them is, as far as possible, consistent with that of management.	Shareholder's general meetings, online corporate presentations, annual reports, telephone calls with spokespeople or acting spokespeople, mail or investor mailbox, investor information website, Audit Committee complaints mailbox, and stakeholder mailbox	Immediate	1 2 3 4 5 6 7 8 9 10	Through a variety of methods, we communicate to investors the current status of the company, as well as being able to collect feedback from investors at any time and use that to improve corporate governance	In 2016, Sinyi Realty responded to our commitments to our stakeholders and investors, receiving the best rating available in the Taiwan Stock Exchange's Corporate Governance Systems Evaluation System for the third consecutive year and ranking among the top 5% of listed companies in Taiwan with regard to corporate governance.	01 Corporate Governance P.20
Employees	Talent is the foundation of the company, and our staff are partners in business and not simply corporate assets. Staff must be granted protections in their work, and absolutely must be treated with care and respect, so that they consider themselves to have stable positions within the company. Only thusly will they be able to fully unleash their potential, grow and achieve as individuals, and rise with the company. As such, we provide competitive levels of compensation and a comprehensive system of benefits, attracting outstanding talent and continuing in our efforts to achieve our goals.	Various internal meetings, internal communications platform, staff communications mailbox, departmental service hotline, labor-management meetings, EAP staff assistance program, 1234 sexual harassment prevention hotline, course opinion surveys, internal questionnaires and surveys	Immediate	11 12 13 14 15 16 18 19 20	Full communication with staff at any time, including collecting their feedback, enabling us to adjust policies and related guidelines/regulations	We have expanded our education and training so that staff at all levels have the opportunity to systematically improve their professional skills. For stage two, we hope to further reinforce concepts of corporate ethics, using intensive high-level training of middle and senior management in an effort to foster a corporate culture of "the wisdom and willingness of the collective."	02 Employee Care P.30
Customers	1. Major source of corporate revenue 2. Sinyi provides our customers with real estate trading agency services, and should successful transactions of this type incur remuneration for services, the quality and content of the service provided will influence the willingness of customers to make use of our agency again in the future or to recommend us to friends and family.	Sinyi Realty/Sinyi Home Services/Sustainability websites, Sinyi Realty/Sinyi Home Services Facebook fan pages, community Sinyi Home Services seminars/activities/fairs, Sinyi Bimonthly, outbound customer care, Social Monitoring Systems, customer opinion channels	Immediate	3 21 22 23 24 25 26 27 28	Through online, face-to-face community work, and customer service surveys, we seek out customer feedback and expectations in order to continue refining and improving our customer service	We continue to introduce innovative services that are ahead of the curve, as this is key to improving customer satisfaction. The entire staff of Sinyi Realty is committed to actively developing a variety of innovative services that will satisfy a range of customer demands.	03 Caring for Clients P.48
Society	1. Expanding social influence through equal treatment of stakeholder interests on a foundation of corporate ethics. 2. Promoting corporate development with a focus on giving back to society, thus increasing our positive influence on society. 3. Promoting a jointly beneficial relationship between corporate social responsibility and stakeholders, thus furthering our positive influence on society.	Sustainability website, We are One Project/Sinyi School websites, Gogo fundraising platform, Facebook fan pages, Business ethics teaching camp, Communities Building Action Plan, CSR reports, annual review of Taiwan region land and property industries, industry-academia-government conferences, public hearings on regulations, conferences on real estate taxation, official Sinyi recruitment website/hotline and mailbox, press releases, press conferences	Immediate	5 29 30 31 34 35 37	Through the Creating Communities Action Plan and assisting government agencies with seminars and questionnaires, we are able to learn what issues concern the public and determine appropriate responses and feedback methods	Our community building efforts are entering their second stage, not only increasing our social media presence, but also expanding into new groups, including primary and tertiary education groups, engaging in wider and deeper communication with the community.	04 Social Engagement P.54
Environment	Striving for carbon reduction and energy savings, which is the duty of all responsible corporate citizens; businesses should operate from a perspective of treasuring the Earth's resources and giving back to the community to create win-win situations.	Green purchasing, corporate sustainability mailbox and website, Sinyi School, Sinyi volunteers, carbon management disclosures	Immediate	41 44	Every year, we carry out inventories of the carbon footprint and GHG emissions of our services, monitoring the effectiveness of our carbon reduction efforts, while also furthering awareness of environmental issues through Sinyi School seminars	In order to optimally reduce carbon emissions, we have reduced our usage of paper-based direct-marketing materials, moving toward digital dispatches. In 2017, we have further applied for sustainable stores certification, embedding sustainability concepts more deeply and concretely into our over 400 stores around Taiwan and their surrounding communities.	05 Environmental Protection P.64
Suppliers	Ensuring all suppliers are providing services in compliance with our commitment to good faith and that satisfy customers.	Supplier meetings, estimated commercial impact assessments and risk investigations, supply chain management processes and forms, Sinyi School, We are One Project	Occasional	45 47	In addition to implementing human rights clauses and purchasing ethics in our purchasing and supplier management policies, we also continue to communicate with our suppliers to bring to life Sinyi Realty's operating philosophy	Our supply chain management efforts continue to involve sampling of over 70% of our suppliers, with Sinyi's business philosophy securely at the heart of our supply chain management culture. In the future, we hope more and more people will be willing to join the festivities and commit themselves to our philosophy.	06 Supply Chain Management P.72

Material Topics Management

Based on the information collected through the aforementioned channels, we have collected a total of 47 issues of concern, as laid out below:

- 1 Operating Performance
- 2 Governance Structure
- 3 Legal Compliance
- 4 Corruption Prevention
- 5 Ethics and Integrity
- 6 Risk control
- 7 Shareholder Equity
- 8 Audit Mechanisms
- 9 Financial Transparency
- 10 Stakeholder Engagement and Complaints Mechanism
- 11 Labor Relations
- 12 Talent Training and Development
- 13 Organizational Climate
- 14 Remuneration and Benefits
- 15 Opportunities for Staff Diversity and Equality
- 16 Forced Labor
- 17 Freedom of Association and Collective Bargaining
- 18 Workplace Health and Safety
- 19 Staff Identity and Retention
- 20 Work-Life Balance
- 21 Customer Relations
- 22 Service Innovation
- 23 Protection of Personal Information and Trade Secrets
- 24 Transaction Security
- 25 Marketing Communication
- 26 Quality of Service and Customer Rights
- 27 Information Disclosure and Transparency
- 28 Corporate Image
- 29 Housing Justice
- 30 Community Building
- 31 Employment Opportunities
- 32 Lifelong Learning
- 33 Anti-Competitive Behavior
- 34 Social Philanthropy and Donations
- 35 Changes in Population Structure
- 36 Promotion of Culture and Creativity
- 37 Industrial Development and Policy Communication
- 38 Green Purchasing
- 39 Water Resource Management
- 40 Biodiversity
- 41 Greenhouse Gas Emissions
- 42 Waste Management
- 43 Ecological Protection
- 44 Green Services
- 45 Supply Chain Management
- 46 Fair Purchasing
- 47 Supplier Labor Conditions Assessment



- | Level | Response |
|------------------------|--|
| High : 91 or above | High : Details of strategies and methods in response can be found in an independent section of this report |
| Medium : 65 to 90 | Medium : Responses are included in the text of this report or on our sustainability website |
| Ordinary : 64 or below | Ordinary : Not responded to specifically in this report |

Material Topics Management

Step 3 : Verification

06 Corresponding Material Topics

Based on the 37 material topics of concern selected, the Total Ethical Management Committee determined corresponding material topics corresponding to 13 GRI topics and 3 other topics relating to Sinyi Realty's industry for a total of 16 material topics.

16 Material topics

07 Selecting Corresponding SDGs

Among the 17 SDGs, we evaluated the material themes selected from the perspective of our value chain, reviewing our own operations and their potential positive and negative impact on the SDGs, prioritizing them accordingly. In evaluating our contribution to and creation of value for sustainability goals, we proposed corresponding management measures. Sinyi has worked hard to respond to the major goals of sustainable development in seven categories, namely health and welfare (staff and suppliers), quality education (shareholders, staff, and society), employment and economic growth (staff, shareholders, society, and suppliers), reducing inequality (society), sustainable cities (society), responsible consumption and production (customers and suppliers), and climate action (environment and shareholders).

7 SDGs

08 Defining Topics

GRI 102-46
GRI 102-47

We evaluated each of the 16 material topics and 7 sustainable development goals in line with the value chain, identifying the scope of conflicts and impacts in terms of Sinyi's participation therein. Based on the material topics of concern identified in 2016 by our stakeholders, we identified corresponding material topics and SDGs as set out in the table below.

Appearance in the Value Chain

Stakeholders	Investors	Employees	Customers	Social	Environmental	Suppliers
Material Topics of Concern	1, 6, 7, 8, 9, 10	11, 16, 12, 18, 13, 19, 14, 20, 15	3, 25, 21, 26, 22, 27, 23, 28, 24	5, 35, 29, 37, 30, 31, 34	41, 44	45, 47
Material Topics (GRI)	GRI 201, GRI 205	GRI 401, GRI 403, GRI 404, GRI 405, GRI 409	GRI 416, GRI 417, GRI 418	GRI 203	GRI 305	GRI 414
Other Material Topics				other Industrial, other Residential, other Ethics		
Sustainable Development Goals (SDGs)	4 Quality Education, 8 Decent Work and Economic Growth, 13 Climate Action	3 Good Health and Well-being, 4 Quality Education, 8 Decent Work and Economic Growth	12 Responsible Consumption and Production	4 Quality Education, 8 Decent Work and Economic Growth, 10 Affordable and Clean Energy, 11 Sustainable Cities and Communities	13 Climate Action	3 Good Health and Well-being, 8 Decent Work and Economic Growth, 12 Responsible Consumption and Production
Our Responses	01 Corporate Governance P.20	02 Employee Care P.30	03 Caring for Clients P.48	04 Social Engagement P.54	05 Environmental Protection P.64	06 Supply Chain Management P.72

Our Value Chain

Sustainability at Sinyi

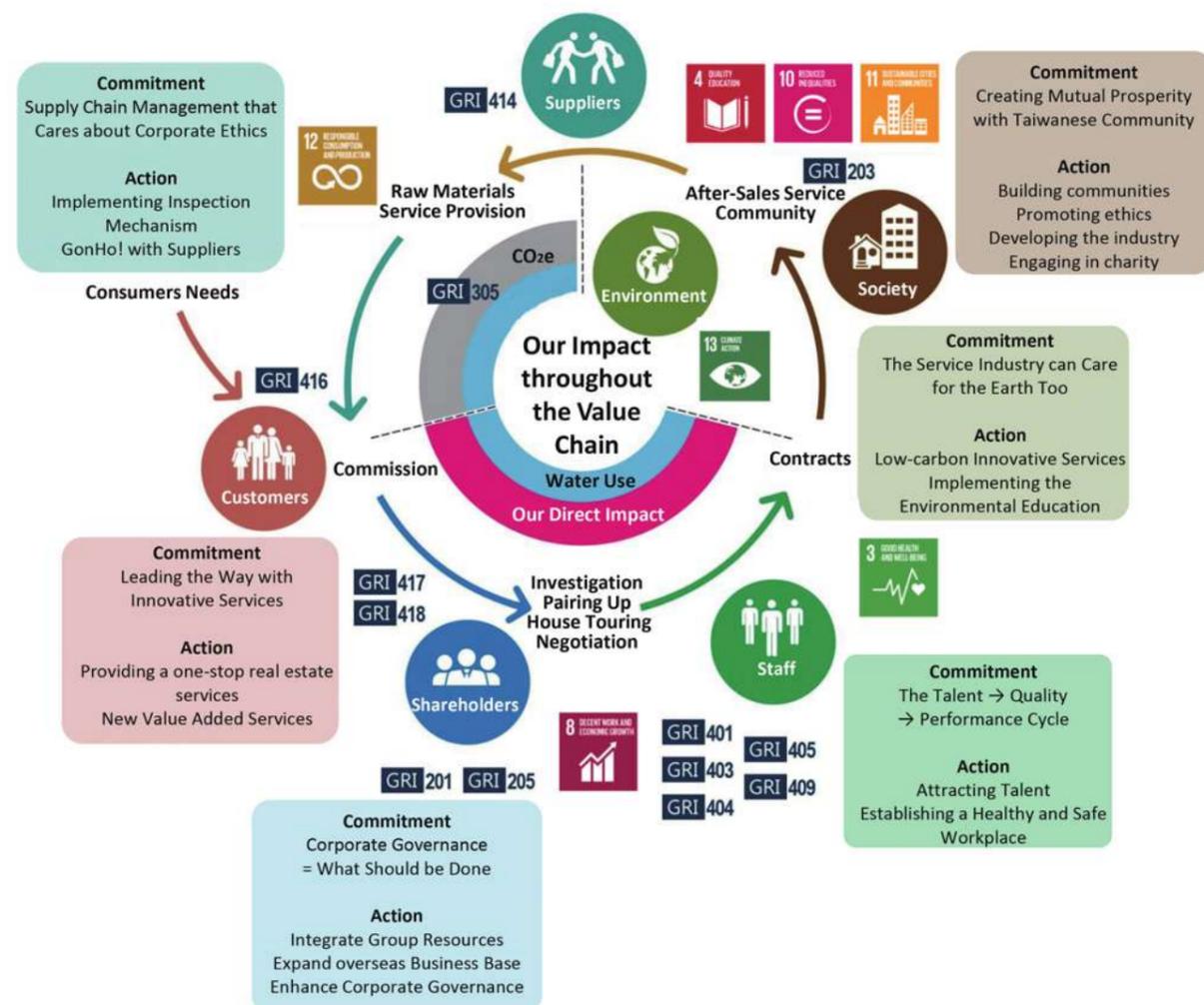
Honesty, integrity, and ethicality have always been our core values. We believe that the true meaning of sustainability isn't just to do with the relationship between people and the environment, but also between people and other people and the mutual relationship of people and groups. As such, we are committed to corporate social responsibility and to the interests of our stakeholders, as only then can we truly lay a strong foundation for sustainable development.

Koji Sakamoto's book "Nippon de Ichiban Taisetsu ni Shitai Kaisha," a Japanese best-seller, echoes Sinyi Realty's thoughts on sustainable operations—when all stakeholders hope that Sinyi Realty will last forever, that will indicate that we have found the operational approach for the company that optimizes real value.

Value Creation Actions

The nature of the real estate agency business is that it starts with people needing to sell or rent real estate and continues through to the final signing of a contract, covering all services in between, as well as pre-commission and after-sales service, community management, and other such services. The lifecycle of these services covers acquisition of raw materials, service provision, and waste disposal stages, and while real estate is a low trade frequency commodity, in the process, it nonetheless consumes energy and generates greenhouse gas emissions through things like the production and distribution of marketing dispatches and flyers or carbon emissions through showing customers properties and engaging in negotiations. All of these have an impact on both society and the environment. Changes in society and the environment, in turn, affect Sinyi and the operating environment of the industrial chain and suppliers, all having a mutual influence on one another.

Map the Value Chain to Identify Impact Areas



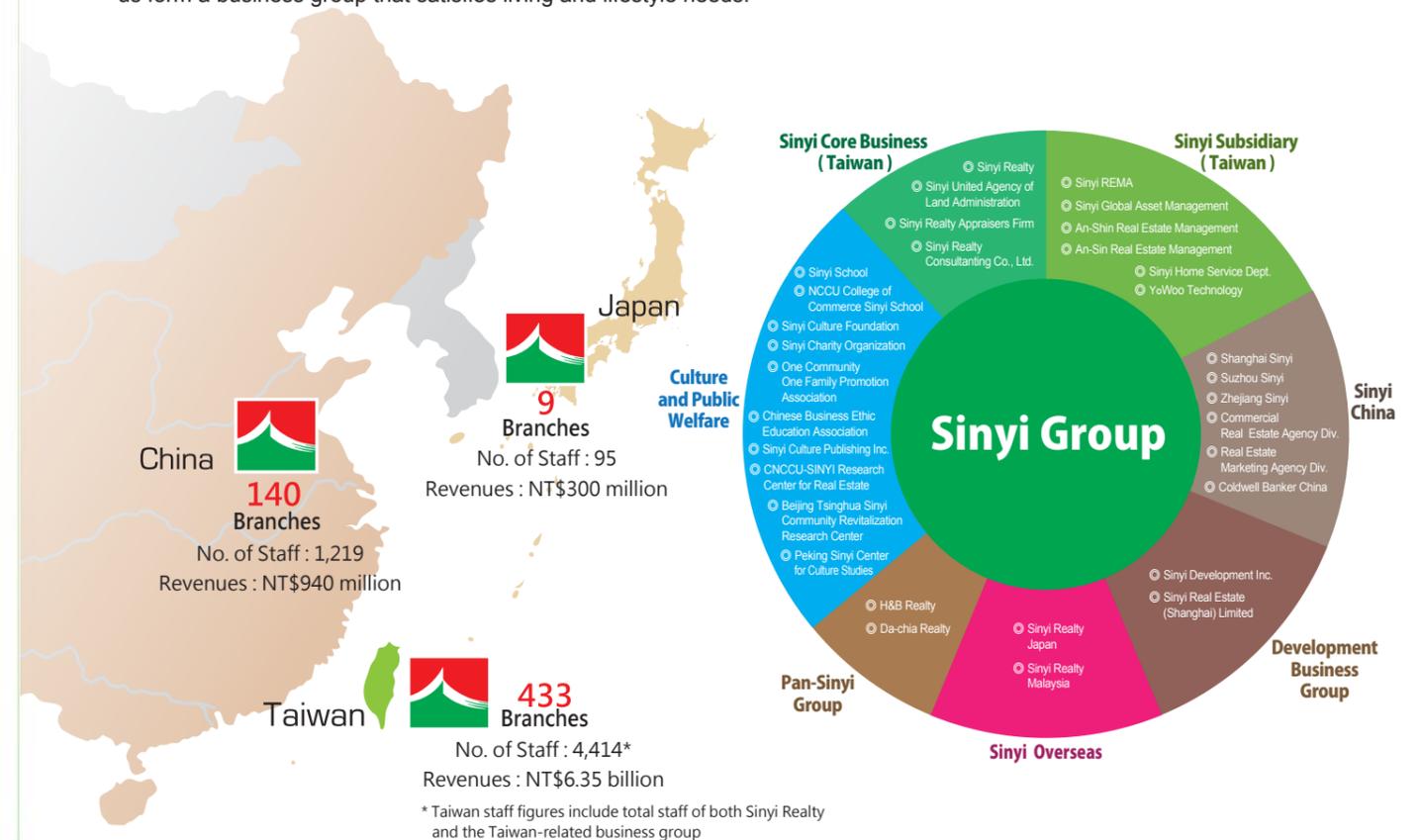
Organizational Scale

Sinyi Realty

In 1981, Sinyi Realty founder Chun-chi Chou established Sinyi Realty Escrow Service, officially founding Sinyi Realty Agency Co., Ltd., in 1987, which then was listed on the stock exchange in 2001. The company's primary business is serving as an agent for real estate sales and rentals, with services including lot presales, and individual property sales, and sales/rentals of new and used homes, offices, factories, land, parking spaces, and so on. In 2007, the company's global headquarters was established in the Sinyi Building, located at No. 100, Xinyi Rd. Sec. 5, Xinyi Dist., Taipei City, Taiwan. With the rapid growth of the real estate agency market worldwide and the growing demand for international real estate agency services, we have also set our sights on the global market, taking our successful development experience from Taiwan and applying it to every corner of the globe. Thanks to years of hard work on the part of our staff and the confidence of the community, Sinyi Realty has become Taiwan's leading brand in the real estate agency market.

Sinyi Group

Sinyi Group is committed to putting people first and adheres to a vision of corporate social responsibility and world-class service. Since the founding of Sinyi Realty, the group has continued to pursue a vertical business strategy primarily situated within the real estate industry, from our core Taiwanese business group to our Taiwan-related business group, a Chinese Sinyi business group, a development business group, extended Sinyi Group an overseas business group, and a cultural and philanthropic business group. As business needs require, we continue to expand the scope of our agency services, having established branches and offices at 433 locations across Taiwan. In order to provide even more outstanding services abroad, by 2016 Sinyi Group had accrued a team of staff totaling 5,728 people in service locations in Shanghai, Suzhou, Hangzhou, Tokyo, Osaka, and other places. Over time we have gradually developed a robust and fully self-reliant business structure, with teams and staff focused on areas from "faithful service" and "pursuing maximum customer satisfaction" to "professional and high-quality process control" and "digital and online technologies." All of these work together closely to help us form a business group that satisfies living and lifestyle needs.



Industry Influence

Industry Environment

Major Challenges

1. Housing Market Contraction: In the latter half of 2014, uncertainty around the Integrated Housing and Land Income Tax System led the market into a period of falling prices and a cycle of contraction. While the interference of such policies is expected to weaken from 2017 onward, potential buyers remain conservative in their view of future real estate prices and the probability of falling prices and a rebound in transactions is comparatively high, owner-occupation remains the primary source of demand in the market.
2. Use of Online Platforms: Internet-based tools and technologies continue to penetrate all kinds of commodity transactions, and real estate services are similarly attracting participation by and competition between online platforms. However, with the heterogeneity of housing and the complexity of transaction terms, housing transactions cannot be entirely handled by e-commerce mechanisms, and as such we can only expect such online technologies to continued being applied as part of the transaction process.

Our Responses

1. By enhancing our staff's attitudes to quality and personal ability development, we have been able to continue to expand our market share even in these unfavorable economic times. In terms of systems, Sinyi Realty provides guarantees at all steps of the transaction process with regard to the properties themselves, including "existing housing contract guarantees," "watertightness guarantees," "safe housing guarantees," "guarantees against high radioactive exposure," and "guarantees against high chloride in concrete." In this way, we offer a comprehensive set of protections that gives us an edge in winning over owner-occupier purchasers as the market begins to recover.
2. Through continuing optimization of our database and our use of the Internet, social media, and mobile tools, we will continue to improve the efficiency of our services and operations, creating a more user-friendly, professional, and technologically efficient trading service environment.

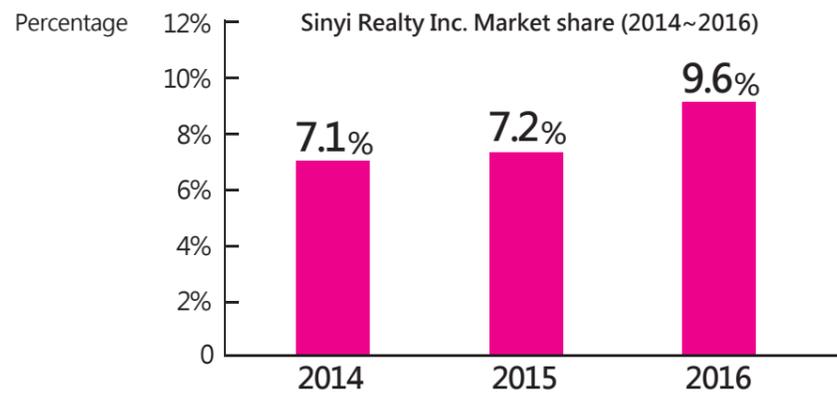
Market Positioning

Taiwan's Only Listed Real Estate Agency

Sinyi Realty was established in 1987 and is one of Taiwan's leading real estate agencies. While most Taiwanese real estate agencies decided early to pursue rapid development through franchising, Sinyi Realty is unique for its insistence on stable expansion through directly-operated branches. In 1999, Sinyi Realty became Taiwan's first OTC real estate agency, and in 2001 we became Taiwan's only real estate agency to be listed on the stock exchange.

Significantly Growing Market Share

Between 2014 and 2016, policy uncertainties led to a slide in investment demand, while owner-occupancy was the primary source of demand. This created a precarious operating environment that put real estate agencies to the test, with some falling by the wayside as the market contracted, with locations suffering and closing. Sinyi Realty, meanwhile, continued its tradition of excellence. The worse the times, the more one needs to "turn into the skid." In 2016 we continued throughout the group to adhere to putting people ahead of profits and thinking positively, and thanks to the hard work of our staff, constant efforts toward improvement, and use of new technologies to improve quality of service, we were able to in fact greatly increase our market share over the previous year, up to 9.6%.



Number 1 in Revenues for 23 Consecutive Years, a Steady Seat at the Top of the Industry

Not only has Sinyi Realty actively sought to differentiate itself from the rest of the industry and build a distinctive brand, we as a company have worked to improve the quality of the services we offer, insisting on integrity and ethical behavior as the core of our business and the biggest driver of progress and stable development. As a result, despite the vicissitudes of the property market, we have remained securely at the top of the industry.

Industry Influence

Participation in Public Associations GRI 102-13

To help share our knowledge, information, experience, and best practices more effectively, we are active participants in the following associations, aiming to leverage our influence in the industry through cooperative efforts with influential organizations to lead the industry to new, higher standards.

【Association Participation】

- | | |
|--|---|
| The Real Estate Association of the Republic of China | Chinese Excellent Management Association |
| The Third Wednesday Club | Internal Audit Association of the Republic of China |
| Taiwan Souji | Taiwan Chain Stores and Franchise Association |
| Taiwan Institute of Directors | Taipei Association of Real Estate Brokers |
| National Association of Young Entrepreneurs | New Taipei City Real Estate Agent Association |
| Chinese Professional Management Association | Taiwan CIO Association |
| The Audit Bureau of Certification | Chinese Human Resource Management Association |
| Chinese Management Association | Taiwan Union of Nurses Association |
| Taipei City Young Presidents' Organization | Taiwan Corporate Governance Association |
| Cross-Strait CEO Summit | Taipei Bar Association |
| Council for Industrial and Commercial Development | Architecture Association of the Republic of China |
| Taiwan Advertisers' Association | Taichung City Association of Real Estate Brokers |
| Business Council for Sustainable Development of Taiwan | Taoyuan Association of Real Estate Brokers |

External Initiatives GRI 102-12

- In joining the Environmental Protection Administration and Taipei City Department of Environmental Protection's Non-Government Enterprises and Organizations Green Purchase Plan, we signed a letter of intent indicating our commitment to green purchasing.
- In response to the 2014 Putting a Price on Carbon Statement, we hope to become a pioneer in global green real estate through increased interactions, doing our part to reduce environmental impact.
- This company's sustainability reports are prepared in accordance with the GRI Guidelines: Comprehensive Option published by the Global Reporting Initiative.
- Our sustainability report disclosures are in following with the international standards including the Corporate Social Responsibility Best-Practice Principles for TWSE/GTSM Listed Companies, the UN Global Compact, and ISO 26000 – Guidance on Social Responsibility.

Established by Sinyi Group Chairman Chou Chun-chi and other entrepreneurs
SEE Foundation



In 2004, the SEE Foundation was formed as Chinese entrepreneurs came together for the first time in the name of charitable work on sand and desertification control. Sinyi Group chairman Chou Chun-chi was among the 100 entrepreneurs who came together with a 10-year commitment to each invest CNY100,000 a year to this work. Starting from working to mitigate the sandstorms that strike the Alxa League in Inner Mongolia, the foundation is committed to environmental and ecological protection, promoting harmony between man and nature, and, in the future, becoming Asia's largest and the world's most influential charitable organization working on sand control.



In the interests of realizing concepts of sustainable development, Sinyi Realty is also a member of the Business Council for Sustainable Development of Taiwan. Through sharing information and participating in activities with the Council, we are able to stay on top of the latest trends in trading and environmental development, as well as innovative approaches being pursued internationally in response to global climate change, thus taking an active role in confronting the challenges of climate change.



To further reinforce green sustainability actions and continue improving knowledge of sustainable operations, Sinyi Realty actively participates as a member of Center for Corporate Sustainability's consultancy and sustainability courses, further enhancing capabilities concerning sustainability.

Sinyi Realty is a member of **The GRI Gold Community**



Since first issuing a CSR report in 2008, Sinyi Realty has consistently adhered to the sustainability standards laid out by the GRI, keeping pace with new developments and revisions of the GRI standards, ensuring each year we apply the newest standards. Additionally, in 2017 we joined the GRI Gold Community.

Sinyi Realty has joined **The Fair Enterprise Alliance**



Professor Kai Ma has brought together a group of entrepreneurs who strive to provide outstanding service to society to form the Fair Enterprise Alliance. The aim of this is to harness the joint strength of the respective enterprises to speak up with a louder voice and draw society's attention and power to those who most need our help. Sinyi Realty is dedicated to the promotion of corporate social responsibility and sustainable development, and as a member of the Fair Enterprise Alliance, we continue to strive to do our best to care for society.