

Corporate Governance

The Board of Directors, selected at our stockholder meetings, is responsible for supervising the execution of Sinyi's various operations to protect the long-term interests of shareholders and to safeguard the interests of all stakeholders, including employees, customers, suppliers, the environment, and society. With integrity and ethics, they do what should be done for all of our stakeholders and actively work to implement corporate social responsibility.

In This Section

- Sustainable Governance
- Board of Directors' Structure and Operation
- Information Disclosure and Transparency
- Ethics and Integrity
- Compliance Management
- Risk Management



Environment **E**
Social **S**
Governance **G**

Highlights

TOP 5%

Seventh TWSE Corporate Governance Evaluations top 5% of listed companies

TCSA Top 10 Most Sustainable Corporate

2020 Taiwan Corporate Sustainability Awards [TCSA]

NO.1

Number 1 in revenues for 27 consecutive years, a steady seat at the top of the industry

Material Topics

GRI • 201 Economic Performance **Custom** • Digital Resilience **SASB** • Business Ethics

Strategic Goals



2021 Goals

- Top-level Corporate Governance Evaluation rating (Top 5%)
- Industry leader: Maintain the number 1 in revenues of the industry

2030 Goals

- Be the leading brand in the residential lifestyle services

2050 Goals

Sinyi's Sustainability Principle
Integrate Sustainability into Operations

Management Approach

Respond to Corporate Sustainability Principle

103-2 103-3 SDG 8

The management approach of material topics 201, Digital Resilience and Business Ethics, follows one of Sinyi Sustainability Principles, "Integrate Sustainability into Operations" to identify, analyze and respond to actual and potential impacts.



Integrate Sustainability into Operations

Sinyi's Sustainability Principle

The Meaning of Material Topics to Sinyi

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We have consistently believed that if we can uphold our corporate social responsibility, then profits will follow naturally and that economic performance will bring corresponding results. Therefore, no matter how the objective external environment changes, integrity, ethics, and our commitment toward the active implementation of corporate social responsibility will remain our core value. We put integrity management into action in all aspects of Sinyi's operations, and enhance business resilience through digital transformation. The Board of Directors, selected at Sinyi's shareholder meetings, is responsible for supervising the execution of the company's various operations to protect the long-term interests of its shareholders and to safeguard the interests of all stakeholders, including employees, customers, suppliers, the environment, and society.

Our Commitments

Sinyi Realty will continue to implement corporate governance with adherence to more rigorous standards, improve the corporate governance system, strengthen management functions, and protect the rights of its investors and stakeholders, and move toward the goal of sustainable development.

Following our business philosophy of "Sinyi begins with trust and ends with perfection," we will implement integrity management in all aspects of the company's operations and continue to improve to create an integrity management and legal compliance culture to ensure all the stakeholders have their long-term interests met.

Core Target and Vision

Trustfulness, righteousness, and ethicality are at the core of Sinyi Realty's operations. "Righteousness" is about proper consideration and action, while "Trustfulness" is about following up on commitments and both talking the talk and walking the walk. Ethical behavior is deeply implanted in our business philosophy and reinforces our development goals at every stage. Internally, this creates a focus on talent cultivation and development to foster an outstanding team. Externally, we will not only continue to build the influence of our brand and pursue stable expansion of our overseas operations, but also strive to make use of new business models to address the challenges of rapidly developing online and digital technologies, thus expanding the scope of Sinyi Group's operations further, integrate sustainability into operations.

How We Manage the Topics

<p>Policy</p> <p>Follow corporate governance procedures and codes, operate in good faith, follow laws and regulations, and respond to standards and initiatives such as the "Code of Practice for Corporate Social Responsibility of Listed Companies," SASB and TCFD.</p> <p> Sinyi sustainability website "Policies and Principles"</p>	<p>Grievance Mechanisms</p> <p>Stakeholder Engagement section > P. 16</p> <p>Whistleblower System > P. 69</p>
<p>Responsibility</p> <p>Board of Directors, Total Ethical Management Committee - Corporate Governance Group, Finance Department, Corporate Ethics Office, and Audit Office are responsible. Senior management compensation links sustainable performance.</p>	<p>Evaluation Mechanisms and Results</p> <ul style="list-style-type: none"> Corporate Governance > P. 62 Internal auditing system > P. 68 External assurance mechanism > P. 8 Risk management framework > P. 11, 70 Compliance level > P. 69
<p>Resources</p> <p>Funds invested in corporate governance, risk management and internal control systems, and promoting corporate ethics and legal compliance.</p>	



Corresponding to the Sustainable Development Goals (SDGs)

Sinyi supports the SDGs. These SDGs in particular are relevant to our work on Corporate Governance:



SDGs Content Index SDGs Report

2020 Goals and Achievements

Corporate Governance Evaluation

✔ Achieved ⚠ Ongoing ✖ Not Achieved

Since the TWSE Corporate Governance Evaluation began, we have received the highest recognition in them for seven consecutive years, ranking among the top 5% of listed companies. Among the 905 listed companies evaluated this time, only 10 have continue to win this honor. Sinyi Realty is the only company among the real estate brokerage service industry.

2020 Goal
Top-level Rating (Top 5%)

2020 Performance
Top-level Rating (Top 5%)



Our actions

For several years, we have had Independent Directors account for over half the Board, a level that has rarely been seen in the industry. In 2020, we develop an intellectual property management plan linked to operational goals.

Corporate Governance Evaluations ranking (Listed company group)
TOP 5%



Profitability

✔ Achieved ⚠ Ongoing ✖ Not Achieved

In 2020, we achieved an operating gain of NTS2.248 billion and continued to make a profit.

2020 Goal
Continue to be profitable every year

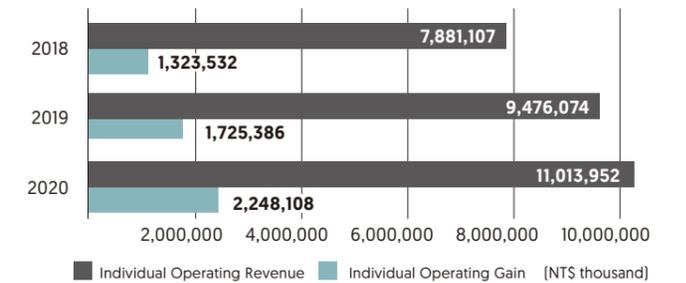
2020 Performance
Operating gain of NTS2.248 billion



Our actions

Faced with a changing political and economic situation, we remain united and committed to excellence, working to strengthen our core services and investing in the cultivation of our talented employees.

Sinyi Realty continues to develop services in tourism industry, and continuously optimizes the diversity of residential lifestyle services.



Performance Overview

Optimizing Corporate Governance Practices

Sinyi Realty has been committed to the implementation of corporate governance for a long time, and continues to practice corporate governance with more rigorous standards to protect the rights and interests of investors and stakeholders.

2020 Goals	2020 Performance	Achieved
Refining the Board performance evaluation Performed by an external professional independent agency or an external expert and scholar team once every three years	Complete the Board performance evaluation The performance evaluation of the Board of Directors and functional committees completed by Taiwan Corporate Governance Association	✔
Refining corporate governance Increase the number of investor conference	Held 4 online investor conference Online investor conference will be held within 15 days after the quarterly or annual financial report announcement; increase from 3 times to 4 times	✔

✔ Achieved ⚠ Ongoing ✖ Not Achieved

Transparency, Integrity and Compliance

Integrity management and compliance with laws are the basics of business management. Sinyi Realty regards integrity and fair treatment as the core values of business ethics, and has implemented several policies to maintain ethical standards.

2020 Goals	2020 Performance	Achieved
100% resolution rate Actively solving issues through complaints channels	100% resolution rate 91 complaints were sent through the complaints channel, all of which were fully resolved, with relevant policies adjusted in response to the issues	✔
100% training completion rate Implementation and promotion of Sinyi Group Code of Conduct	100% training completion rate Training on the Code of Conduct for all employees conducted twice a year	✔

✔ Achieved ⚠ Ongoing ✖ Not Achieved

Action Plan Sustainable Governance

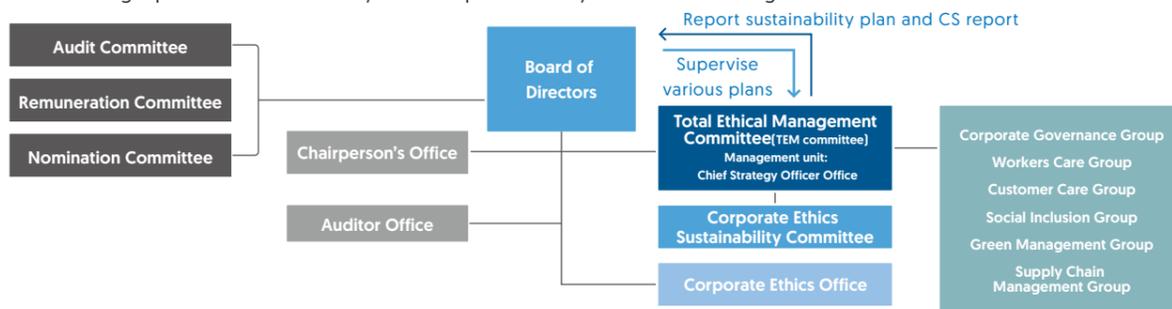
Corporate sustainability is part of Sinyi Realty's business strategy. Through a top-down governance structure, it is complemented by various working groups to connect and integrate horizontal organizations, fully demonstrating the importance of corporate responsibility.

Corporate Vision: "Be the leading brand in the residential lifestyle services." 102-23 102-26 102-32

Each year, the Board of Directors sets out a grand strategy for the coordination of the various interests of our stakeholders, while the **Total Ethical Management Committee (TEM committee)** is tasked with providing crucial guidance on the various particulars of sustainable management. The long-term direction toward sustainable development pursued by this company, as set down by Founder Mr. Chun-chi Chou at the time of Sinyi's founding, is not only to be communicated through the vision of the leadership, but should also strive to grow and evolve with the times. **The Founder, Chairman, Directors, General Manager of the Group business, and TEM committee members jointly set the corporate vision.** And the TEM committee has worked to transform this vision into long-term and mid-term plans, with short-term goals and directions being set out. These are then reviewed regularly to see if the goals have been achieved.

Sustainable Governance Structure and Procedures 102-18 102-22 102-23

We consider our shareholders as our highest authority. All business is carried out under the management and supervision of the Board of Directors under the leadership of the Chairman. At present, the company has no CEO position. All general business planning and interdepartmental coordination is undertaken by the General Manager in line with market conditions and existing competition. The Chairman and General Manager positions are not held by the same person in Sinyi. The General Manager is not a member of the Board.



Responsible Unit for Sustainable Affairs: Total Ethical Management Committee 102-26 102-31 102-32

Regularly Review ESG Strategy and Performance

The Total Ethical Management (TEM) Committee is convened by the Directors and the Chairman, with the members drawn from C-Suites senior management, including the General Manager, the VP of staff, and the VP of sales. Its goal is primarily to coordinate and review the company's CSR and SDGs performance and progress, with different groups addressing different topics and holding their own meetings or projects. The committee takes the lead in resolving issues of business ethics in departments, implementing any necessary transformations of procedures. The TEM committee regularly reports to the Board of Directors of the sustainable promotion plan, and the Board of Directors will review ESG strategy and performance. The committee meets once a season and whenever otherwise convened, to discuss material issues. In 2020, the committee met 4 times. The TEM committee is managed by the Chief Strategy Officer Office.

Function and Authority of TEM committee

1. Coordinate the company's CSR and sustainable development direction and set relevant goals.
2. Report to the Board on Environmental, Social and Governance (ESG) performance and future strategic goals at the end of each year.
3. Collect and collate stakeholder views and identify/manage ESG impacts, risks, and opportunities.
4. Hold quarterly ESG performance and goal fulfillment reviews.
5. Compile CS reports and provide it to the Board for review and issuance.
6. Assist in conducting dialogues with stakeholders.
7. Core of Sinyi Group sustainable development.
8. Resolve major risks and risk owners in order to control and supervise risk. The person in charge of risk will be C-Suites who is responsible for identifying risk issues, discussing then, and undertaking management objectives with the risk management executive unit in order to strengthen overall risk management and follow-up supervision of cross-business and cross-department communication, so that resources can be more effectively used for overall management.

TEM Committee Working Group

Under the TEM committee, we set up six functional working groups, namely Corporate Governance Group, Workers Care Group, Customer Care Group, Social Inclusion Group, Green Management Group, and Supply Chain Management Group. The manager of responsible departments takes up leader of each working group, and implements the sustainable projects approved by the TEM committee and the Board of Directors.

The complete company organization chart, proportion of time spent on discussion of topics by TEM committee, and the member attendance status, please refer to <http://csr.sinyi.com.tw/en/governance/organization.php>

Sustainability Assessment and Management 102-18 102-19 102-20 102-29

Through multiple regular and irregular meetings over the course of the year, the Board of Directors entrusts the Chairman with the duty to distribute responsibility for economic, environmental, and social issues relating to corporate governance to relevant units. **The General Manager is responsible for economic performance issues and the TEM committee for the promotion of ESG issues and supply chain management, with regular and irregular progress reports made to the Board and the Chairman as the materiality of the issues requires.** Relevant decisions shall then be incorporated into the minutes of the meetings, with further follow-ups to be reported to the Board at its next meeting. **Our CSO reported to the Board on the company's CSR situation in December 2020, reporting on the implementation of the company's CSR with regard to all stakeholders in 2020 and putting forward a plan for 2021.**

Establish Corporate Ethics Sustainability Committee Column

In 2021, we established the Corporate Ethics Sustainability Committee. The purpose is to link Sinyi's efforts in corporate ethics, corporate social responsibility, and sustainable development, to create and form a comprehensive effect of organizational resource integration, and to implement Sinyi's business mission, the practice of "Sinyi People → Sinyi Company → Sinyi Society." [Sinyi means "Trustworthy" in Chinese]

ESG Performance Management

The Board of Directors formulates various material strategies on how to reconcile the rights and interests of various stakeholders every year, and provides important guidelines for sustainable management. The Total Ethical Management Committee (TEM committee) is the highest unit for the handling of sustainability matter within Sinyi Realty, with six working groups set up below the committee. The TEM committee coordinates Sinyi's CSR and sustainable development direction and sets relevant goals, regularly reviewing performance and goal achievement.

Verification statement

- Independent Opinion Assurance Statement
- ISO verification statements
- Financial Data: 2020 Annual Report

Management of the Sustainability Report

The TEM committee coordinates the direction of the sustainability report, and the Chief Strategy Officer Office collects opinions from stakeholders, and compiles the relevant content of the report and submits it to the Board of Directors for review and issuance. The contents of each chapter of the report are reviewed by the heads of the six working groups to verify the correctness of the content and information, and the Board of Directors reviews the sustainability performance and strategic goals. In addition, the quality of the report may be improved through external independent third party verification.



Sustainability Activity Promotion

Sinyi Realty actively participates in and organizes various sustainable activities, and hopes to exert its influence as an industry leader, and internalize the sustainable spirit with ideas and activities internally. Through various methods such as seminars or lectures, towards the sustainable literacy of "Sinyi people, Sinyi company, Sinyi society."

Item	Sustainable Activities	Total Hours	Influence (Number of people)	
Sustainable promotion speech	• Founder's speech	1.5	7,678	
Vision goal / Senior management training of sustainability	• TEM committee meeting • Training course	9.5	-	
CSR team knowledge advancement	• CSR course • Seminar / Forum	390	20	
Social influence	Host / Co-organizer by Sinyi	• Sustainability Workshop • Visit • Lecture	76	276
	Lecture session	Seminar speech	11.5	150



The Founder's Speech

2020 The Hsing Yun Journalism Forum: Sharing experience with the theme of "Talking about "Goodness" from Corporate Social Responsibility" <https://www.merit-times.com.tw/NewsPage.aspx?unid=608276>

Action Plan Board of Directors' Structure and Operation

102-18

Board of Directors' Operations

102-25 102-33 102-34

We convene meetings of the Board of Directors on average once every 2 months, to review business performance, discuss important strategic issues and critical concerns, including economic, environmental, and social impacts, risks, and opportunities. In 2020, the Board communicated 8 times. Each attendance rate is over 96% and more than half of the Independent Directors are present. After decisions taken at meetings to identify the appropriate unit to be tasked with handling the issue at hand, a follow-up report on progress made is presented to the Board at the next meeting. The conference unit of the Board provides information and reports on motions to each member of the Board for reviews ahead of meetings to facilitate understanding of whether said motions touch on stakeholder interests and to remind those involved to recuse themselves where appropriate.

In 2019, the Chief Corporate Governance Officer was established and approved by the Board of Directors, responsible for the arrangement of the schedule and agenda of the Board of Directors meetings, the planning of Directors' training, the provision of information during or outside the Board of Directors meetings, and the regular and irregular information notifications to Directors, etc., regarding the operation of the Board of Directors and corporate governance related issues, the Chief Corporate Governance Officer are all be able to appropriately assume the due responsibilities.

- Implementation of the avoidance from conflict of interests by the Directors, please refer to [Sinyi Realty's 2020 Annual Report](#) p. 3-23
- The annual material information, please refer to Market Observation Post System (stock code: 9940) <https://emops.twse.com.tw/server-java/t58query>
- Resolutions of Board of Directors Meetings, please refer to "Board of Directors" <http://csr.sinyi.com.tw/en/governance/board-of-directors.php>
- For the types of proposals discussed by the TEM committee, please refer to "Governance Structure" <http://csr.sinyi.com.tw/en/governance/organization.php>

Board Structure and Mechanisms

The current Board of Directors has a total of seven seats, which are composed of three general Directors and four Independent Directors; Independent Directors make up over half of all seats. In addition to the various Directors having their own particular specialties, over half the Board, that is, the Independent Directors, ensure that the proceedings remain objective and independent. They set the standards for diverse backgrounds and independence of the professional knowledge, skills, experience, and gender required by Board members and senior managers.

Among the 7 Directors, there are 2 female Directors (one of which is an Independent Directors), accounting for 29%.

The current Independent Director, Ms. Yi-Li Lee, who is under the age of 50, will provide us more innovative and fresh ideas, and is able to provide suggestions for rigorous risk management from her experience working in foreign bank, thus contributing to the diversity of the Board.

In addition, Sinyi fully trusts and respects the participation of Independent Directors, thus forming a positive Board operation culture.

- For more information and a list of the Directors of the company's 13th Board, please refer to [Sinyi Realty's 2020 Annual Report](#) p. 3-4-3-5



Functional Committees

The functional committees such as the Audit Committee, the Remuneration Committee and the Nomination Committee jointly participate in relevant decision-making on issues related to economic, environmental and social impact. The major proposals for the Board of Directors must be reviewed and checked in advance by the functional committees, and the quality of the Board's resolutions has also been strengthened by this initiative.

- For a detailed introduction of the committee, please see the "Functional Committee" of Sinyi Sustainability website <http://csr.sinyi.com.tw/en/governance/committee.php>

Processes for Consultation between Stakeholders

102-21

Stakeholders may also communicate through internal or external channels with the Board of Directors or the responsible units that are relevant to their considerations of economic, environmental, and social issues. To this end, we have drafted the Rules for Comments and Complaints to the Audit Committee by Stakeholders, with any issues being reported to relevant units by stakeholders then being followed up on and reported to the Board as appropriate to their materiality.

- For more information, please see the [Stakeholder Engagement](#) section, p. 16

Intellectual Property Management Plan Column

In order to maintain the flexibility in business and competitive advantage through continuous innovation, Sinyi's highest governance unit for intellectual property is the Board of Directors, and an intellectual property management plan has been formulated and reported to the Board of Directors on October 28, 2020.

For the intellectual property management plan, please refer to the Sinyi Investor Relations website for details https://www.sinyi.com.tw/investors/investors-en-corporate_corporate-EN

Board Member Compensation and Sustainability Performance

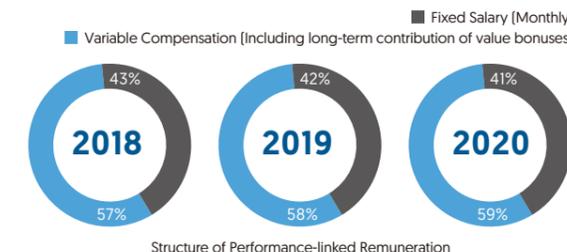
Compensation and Sustainability Performance: "Long-term Value Contribution Rewards"

102-35

To encourage senior management to pursue corporate performance goals and profit targets while also considering the company's long-term competitiveness and sustainable development, the Board of Directors and the Remuneration Committee passed the Guidelines for Remunerative Rewards for Senior Management. Senior managers can be divided into senior executives of business and staff. In addition to their fixed salaries, senior sales managers are also eligible for performance bonuses calculated based on performance indicators.

- Remuneration norm:** To encourage them to work toward sustainable corporate development, not only are senior managers rewarded for their short-term performance, but we also place an even greater emphasis on their long-term contribution of value through things such as cultivation of talent, improvement of service quality, refinement of procedures, and exercise of corporate social responsibility. Thus, they receive bonuses as laid out in the guidelines for their contributions
- Performance Bonus Procedure:** For such bonuses to be approved, the senior management must report the content and result of the long-term value contribution to the Board of Directors, covering the aims and accomplishments. Interactions on this report will help the Board gain a deeper understanding of the operating strategy as employed by the manager, their particular skillsets, and the results of implementations of their strategies, in order to facilitate effective feedback and to accomplish the goal of cultivating leaders.
- Dimensions of Evaluations:**

Value Creation Dimensions	Continuous talent development	Improve service quality	Improve processes and systems	Take corporate responsibility
Presentation oriented	Attitude Implementation Results	Attitude Implementation Results	Improvement Innovation Results	Corporate Governance Business commitment Social inclusion Environmental protection



- The Remuneration for Senior management, please refer to the appendix "Sustainability Performance Overview" p. 86-87 [2020 Annual Report](#) p. 3-17, 3-20

Performance Evaluations of the Board of Directors and Functional Committees

102-28

We have set out the "Regulations on Performance Evaluation of the Board of Directors" and published them on the Investor Relations website.

- Internal self-evaluation:** We conduct annual performance evaluations of the Board of Directors. After evaluating the Directors fully with a focus on aspects including both Board and functional committee operations, culture, internal and external relationships, and their own self-evaluations, the conference unit of the Board conducts a statistical analysis and reports back to the Board at a meeting on their findings and areas for improvement.
- Evaluation of external independent institutions:** Independent third-party performance evaluations of the Board to be undertaken at least once every three years, conduct on-site interviews with the Chairman, Directors and Independent Directors, conveners of the functional committees and the deliberation units, and report the evaluation results to the Board of Directors.

In 2020, a performance evaluation was conducted of the Board of Directors and its functional committees, and the combined results showed that "the Board of Directors and its functional committees are performing well."

- For more information, please see Investor Relations webpage https://www.sinyi.com.tw/investors/investors-en-directors_directors-EN

Remuneration Mechanism for the Board of Directors

102-35

Our disclosure of Individual Director's remuneration in the annual report goes well beyond the requirements of the law. The director compensation is comprised of salaries, director remunerations, and allowances, etc.

- Salaries:** Independent directors receive a set salary. Independent Directors are paid in accordance with Article 16 of the company charter, which states that "the company's Independent Directors shall draw remuneration of a level standard for listed companies with regard to their level of participation and value of contribution to the company's operations; the value of such remuneration is to be authorized by the Board of Directors." Non-Independent Directors did not receive salary. With the exception of Chien-ping Hsueh who concurrently serves as a senior manager and receives a salary for the role (as the CEO of the platform business of Sinyi Group).
- Director remuneration:** Link with the company's profit and operating performance, the Director remuneration are variable. In accordance with Article 20 of the charter, as not more than 1% of annual profits shall be set aside for their remuneration.

Beyond this, Directors do not participate in other remuneration plans, nor do they have other retirement or benefits systems, severance pay, or recall mechanisms.

- For more information on Directors' remuneration, please see the Appendix "Sustainability Performance Overview" p. 85-86

- For a detailed description of Directors' remuneration, please refer to [2020 Annual Report](#) p. 3-14, 3-19

Director Training

102-22 102-27 SDG 4

We organize courses on economic, environmental, and social issues relevant to our operations to boost our Directors' professional capabilities. We have also joined the Taiwan Corporate Governance Association's Association of Directors and Supervisors, using the TCGA's publications and courses to gather relevant knowledge. The company also issues regular announcements to Independent Directors on revenues and other industry information. It also provides as occasional notices on economic, environmental, and social issues pertaining to the company to help ensure that our Independent Directors are up-to-date. Self-evaluations of Independent Directors are gathered annually to reinforce the content of the company's reports. To train the company's Directors, Independent Directors are first asked to indicate how we can work with them in line with the annual strategy development and strategy-related courses.

- For more information on Directors' education and training, please refer to <http://csr.sinyi.com.tw/en/governance/board-of-directors>

Action Plan Information Disclosure and Transparency

Protecting Shareholders' Interests, Promote Shareholder Activism

To put our ethical behavior and integrity management into action, and in line with Sinyi's sustainable development goals, we established the "Sinyi Realty Integrity Management Guidelines," "Code of Practice for Corporate Social Responsibility for Sinyi Realty," and "Sinyi Group Code of Conduct," which enable our colleagues to have clearer directions when interactive with stakeholders.

The 10 major shareholders, please see [2020 Annual Report](#) p. 3-125

We continue to improve our information disclosure communication channels so that external shareholders can learn important information of the company in real time or in advance, so as to protect shareholders' rights and enhance transparency.

- **Increasing the rate of information disclosure in English:** Material information is published in both Chinese and English, and stakeholders can obtain instant information through the Market Observation Post System, investor relations websites, and sustainability websites. Financial reports, quarterly reports, annual reports, and sustainability reports are announced simultaneously in Chinese and English.
- **Improve the timeliness of information disclosure:** Disclosure of information beyond legal requirements, shorten the timeline of financial information announcement; provide investors with instantly important business information on the investor relations website. The shareholders' meeting was held in advance to stagger the time, and the shareholders' meeting notice and the Meeting Handbook were released in advance to let external shareholders know about the relevant issues as soon as possible.
- **Improve the quality of disclosure of non-financial information:** Annually issue a sustainability report to disclose non-financial information, and provide more timely information on the Sinyi sustainability website. The quality of the report disclosure is ensured through third-party assurance and ISO verification, and outstanding achievements in domestic and international sustainability report competitions, it proves that the quality of our report's disclosure has been affirmed by all parties.

The rights that our shareholders enjoy include	<ul style="list-style-type: none"> • The right to make proposals at and convene provisional shareholder meetings • The right to nominate Directors and veto Board decisions • Rights of share disposition and application • The right to knowledge of the company's situation
Disclosure of Information Beyond Legal Requirements	<ul style="list-style-type: none"> • Revenue announcement completed before 10th of each month (legal requirement within 10 days) • Quarterly Reports completed within 30 days (legal requirement 45 days) • Annual Reports completed within 2 months (legal requirement 3 months) • Shareholder meetings held by end of May (legal requirement end of June) • Disclosure of Directors' individual salaries (legal requirement pay grade only) • Announcement in advance of Annual Report and Meeting Handbook (superior to corporate governance standards)
Strengthen Transparency	<ul style="list-style-type: none"> • Completed the insurance of Directors of 2020.07-2021.07 and asked the insurance company to attend the explanation. • Continuously provide Independent Directors with immediate company related information (significant decision information, important market instant news, etc.) • Online Conference will be raised to 4 times a year.

Improve Internal Control System

The internal control system measures were formulated and approved by the Board of Directors in accordance with the "Regulations Governing Establishment of Internal Control Systems by Public Companies" to promote Sinyi's sound operation.

According to its operational risk identification results, each management department establishes an effective internal control system and regularly implements the self-assessment of the internal control system for self-supervision. By doing so, each management department can review and correct errors immediately to ensure the continued effectiveness of the internal control system. The company's operating characteristics, operating process requirements, and operating cycle determine how the internal control system and related operating measures should be established. For example, sales and collection cycles, acquisition and payment cycles, payroll and personnel cycles, investment cycles, financing cycles, real estate and equipment cycles, control in computer data processing operations, and management control operations.

Prevent Insider Trading

In order to establish a good internal important information processing and disclosure mechanism within Sinyi Group, to avoid improper leakage of information, and to ensure the consistency and correctness of information published to the outside world, to strengthen the prevention of internal transactions, we have formulated the "Procedures for Handling Material Inside Information" as follows:

- **Notification of transfer of shares held by insiders:** The Ministry of Finance regularly sends notices every month and requires insiders to report changes in shareholdings.
- **Education Training:** At least once a year, the Directors, managers and employees shall be subject to a training session on "Procedures for Handling Material Inside Information" and related laws and regulations. For new Directors, managers and employees, educational advocacy is provided within 2 months after taking office. In response to the pandemic, physical courses for insiders have been converted to online compulsory courses.
- **Regular Intranet compulsory training:** At the beginning of each month, Sinyi's intranet system automatically displays a pop-up window that reads "important organizational announcements". Employees must read them item by item to check them off before continue using the computer. The content includes the definition of important internal information, confidentiality operations, and penalties for and handling insider trading violations.

Please refer to https://www.sinyi.com.tw/investors/investors-en-honest_honest-en

Corporate Tax Contribution

Sinyi Realty has always paid taxes honestly. In 2020, the tax amount paid was NTD \$952,503,919 (including various taxes, Business Tax, and Profit-seeking Enterprise Income Tax), accounting for 8.65% of its revenue.

The Tax Governance Policy, please refer to Sinyi Sustainability website "Ethics and Compliance" <http://csr.sinyi.com.tw/en/governance/ethics.php>

Category	Description	Amount
Business Tax	January to December 2020	487,654,081
Profit-seeking Enterprise Income Tax	Tax payable in 2020 [20% tax rate]	431,871,031
Various taxes	House Tax, Land Value Tax, Stamp Tax and other taxes in 2020	32,978,807
Total		952,503,919
Individual Operating Revenue in 2020		11,013,952,412
Percentage of Revenue		8.65%

Action Plan Ethics and Integrity

Declaration on Integrity and Transparency

102-16 SASB

Sustainable Development Strategy and Code

To put our ethical behavior and integrity management into action, and in line with Sinyi's sustainable development goals, we established the "Sinyi Realty Integrity Management Guidelines," "Code of Practice for Corporate Social Responsibility for Sinyi Realty," and "Sinyi Group Code of Conduct," which enable our colleagues to have clearer directions when interactive with stakeholders.

Integrity Policy Management

The TEM committee, which is affiliated with the Board of Directors, is responsible for the formulation and supervision of the integrity management policies and prevention programs, assisting the Board of Directors and management to check and evaluate the effective operation of the precautionary measures established by the integrity management, and regularly carry out relevant business processes. The assessment follows the situation and makes a report.

Managing for Organizational Integrity

Sinyi Realty regards integrity and fairness as the core values of business ethics, upholds the concept of "established based on trustfulness and righteousness, our pursuit of them is endless," practices all aspects of integrity management, implements and promotes business ethics and strengthens our business philosophy.

- **Founder's philosophical guidance:** The large monthly meeting at the beginning of each month is guided by the Founder, Mr. Chun-chi Chou.
- **"Ethics in Action" project:** The Chief Ethics Officer launches the project and integrates the concept of ethics into the daily work of colleagues.
- **Discussion of business philosophy:** All colleagues conduct monthly discussion and share how to implement the business philosophy in daily work.
- **Code of Conduct training:** We conduct regular training through the company's internal website, proclaiming the "Sinyi Group Code of Conduct" must first "treat customers with integrity."
- **Conference counseling at all levels:** Includes department manager training seminars and meetings, daily meetings of branches and staffs, or individual counseling on weekdays.
- **Education and training at all levels:** Integration of the Sinyi philosophy in all training courses and internal textbooks, including in compulsory courses for newcomers.

For more information on the strategy, policy and principles, please see <http://csr.sinyi.com.tw/en/certificates/policy.php>

Column

The First "Chief Ethics Officer," Integrating Ethics into Sustainable Practice
Corporate Ethics Office E-mail: EnterpriseEthics@sinyi.com.tw

Sinyi Realty took the lead in the industry in Taiwan by establishing the position of "Chief Ethics Officer" and "Corporate Ethics Office," which in charge of ensuring company policies and processes are in line with business ethics, developing and implementing ethical compliance-related communication and training programs. In order to pursue the implementation of Sinyi's mission "Sinyi people→Sinyi company→Sinyi society," we will lead actions with trust and integrate ethics into the practice of corporate social responsibility and sustainable management. The "Corporate Ethics Sustainability Committee" was established in January 2021, with Bai-chuan Yang as the convener of the committee.

Improve Internal Audit System

Internal Auditing System

The internal audit unit (Auditor Office) of Sinyi Group is subordinate to the Board of Directors, and an Audit Supervisor is set up to comprehensively manage the company's internal auditing. The supervisor of auditing shall attend the Audit Committee and the Board of Directors, and submit the internal audit report at each meeting, and may entrust professional assistance due to business needs. Colleagues in the Auditor Office are certified as Certified Internal Auditor (CIA).

Sinyi will amend "The Corporate Governance Principles" in 2021, which clearly stipulates that the appointment and removal of the audit supervisor shall be approved by the Audit Committee and a resolution of the Board of Directors. The evaluation and remuneration shall be approved by the Remuneration Committee before a resolution of the Board of Directors. In addition, the appointment, removal, evaluation and remuneration of other auditor staffs, should be reported by the head of internal audit, and approved by the Chairman of the Board of Directors, to enhance corporate governance and audit independence.

The Auditor Office draws up Sinyi Group's annual audit plan in accordance with the "Regulations Governing Establishment of Internal Control Systems by Public Companies", regularly checks the compliance of various systems, assists the Board of Directors and managers to check and review the validity of internal control systems, and measures the effectiveness and efficiency of operations. The office provides timely improvement suggestions as the basis for reviewing and revising the internal control system, to ensure the continuous and effective implementation of the internal control system. The lack of an internal control system and abnormal items found in the audit are listed as important items in the performance evaluation of various departments and are tracked and managed.

In terms of environmental data, Sinyi's employees have also obtained the ISO auditor qualifications, and they will jointly check with external consultants during the ISO verification process and provide suggestions for improvement.

In 2019, the "Implementation Rules for Internal Auditing" were revised, referring to the "Model Internal Audit Activity Charter" issued by the International Internal Auditing Association (IPPF) and in response to practical needs, and the provisions of the internal auditing quality plan will be updated to improve the quality of auditing. According to the new version of the Corporate Governance Blueprint and the "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies", the independence of internal auditing is strengthened to assist the Board of Directors in enhancing the corporate governance efficiency.

Optimize The Internal Audit Mechanism

The 2020 plan is to launch the "Internal Audit Quality Optimization and System Establishment" project in March 2021, and appoint external professional consultants to assist the Auditing Office in improving the internal audit system. The objective is to ensure that all procedures comply with the International Professional Practices Framework issued by the Institute of Internal Auditors, thereby optimizing the quality and effectiveness of internal audits. The Auditing Office optimizes the quality of various operations through the aforementioned project. The output of the project includes revision of implementation rules of internal audit, documents for standardizing operating procedures, audit document templates, risk control matrix, internal audit of the delegation of authority, professional development plan, professional inventory by auditors, independence assessment, and other documents.

Communication between Independent Directors and internal audit supervisors and accountants: [2020 Annual Report](#) p. 3-26

Action Plan Compliance Management

2020 Responses to Negative News or Incidents

In 2020, there are two substantial fines of more than NTDS 100,000 (inclusive), due to improper content on the official website and publicity advertisements.

- For related content and improvement measures, please refer to the "Social –External Stakeholders" chapter p. 51
- For more detailed and current information, please see "Announcement" on Sinyi sustainability website at <http://csr.sinyi.com.tw/en/news/event.php>

Management System and Mechanism

Since its establishment, Sinyi Realty has upheld the spirit of ethics, abided by laws and regulations, and even has gone beyond their requirements, taking the lead in implementing relevant norms or systems to ensure transaction security and stable operation in all aspects. Due to the diversification and globalization of Sinyi's operations, the scope of related business has increased. In order to enable each unit to comply with its business operations and reduce legal risk, established the Compliance Office and implemented the "Sinyi Group Compliance Principles" to integrate the planning, management and implementation of our legal compliance system.

All cases that clearly stipulate the scope of applicability and regulations concerning the legal field must be sent to the Compliance Office for review to ensure the implementation of Sinyi's major laws and regulations, and a Compliance Symposium was held before the system's official launch in May 2020.

Dimension	Regulations to follow
Business operations and marketing	Criminal Act, Fair Trade Act, Consumer Protection Act, Real Estate Broking Management Act, Trademark Act, Copyright Act
Financial and organizational planning	Company Act, Securities and Exchange Act, Money Laundering Control Act and related laws and regulations
Internal and customer information protection	Trade Secrets Act, Personal Data Protection Act
Personnel policy and management	Labor Standards Act and related laws and regulations

Training

The Customer Service Department not only included the law and compliance course as a compulsory course for newcomers, but also continues to provide legal examples to all employees through courses, seminars, case studies, etc., so that all levels of the company can be familiar with various regulations and related laws. Irregularly publishes the "Legal Biweekly News" on our company intranet to explain legal practice with cartoons, explaining legal knowledge about the crime of obstructing computer use, prohibition of part-time employment, copyright law, and the crime of damage.

Implemented Practices

We have designed internal rules and specifications for various types of daily operations that may involve illegal matters, and conduct random checks in the course of business activities. These checks include whether there any houses that have been sold but were not immediately removed from the website, thus causing false advertising violations. Or whether our employees violates laws or regulations when using personal data from customer.

Action Plan	Explanation	2020 Results
Legal notice and business area case study	Issue "Legal Bi-weekly News" irregularly and continue to publicize cases with legal disputes. Such gestures draw employees' attention to transaction safety and improving service quality when working, thereby reducing disputes and illegal incidents.	Announce 11 legal cases (about the agency's obligation to report factually and investigate housing conditions, false advertisements, protection of personal data, and protection of trade secrets). Assign legal personnel to each business area to explain the legal cases on a quarterly basis, with a completion rate of 100%.
Legal compliance review	In cases of legal doubts regarding the newly established business services or behavior, each department shall file an application to the Legal Compliance Office for review on a case-by-case basis and provide legal compliance opinions.	A total of 13 cases about intermediary service advertisements, interview advertisements, community lucky draw event, and revision of website privacy policies were reviewed.

Whistleblower System

Since Sinyi's establishment, we have emphasized trust and justice, and have paid special attention to integrity management. To put an end to illegal or corrupt behaviors, there is a clearly defined code of conduct with incentives and disincentives, and violations are published in the company announcements in order to promote vigilance. In our "Regulations on Whistleblowing of Illegal and Unethical or Dishonest Conduct", the reporting channels and acceptance methods for illegal, unethical or dishonest behaviors are clearly defined, and multiple reporting and complaint channels are set up to ensure that improper behavior will not remain hidden. Committed to responding to the opinions of stakeholders in a timely manner, each complaint or report is handled by a dedicated person. Depending on the nature of the case, it will be handed over to the relevant department or reviewed by a committee, which can then request a reply to the complainant or whistleblower within the time limit. If the situation is serious, the report will be submitted to the Corporate Ethics Office or the Chairman of the Board. If a senior executive is involved, it will be reported to the Board of Directors. During the proceedings, the information of the complainant and the whistleblower will be kept confidential and only designated personnel will be notified.

All information regarding complaints and reports is strictly confidential. If the complainant or whistleblower is an employee of the company, he or she can choose to disclose or keep themselves private when making a complaint, and the case will be dealt with after the case is received by the dedicated person. The relevant procedures and responses will be carried out, and the case will be filed in order to properly track it, ensuring that no one is retaliated against due to having filed a complaint or report.

Appeal Method

- Customer complaint hotline 0800-211-922
- 24-hour online customer service
- Customer Service Email sinyi@sinyi.com.tw
- Audit Committee Complaint and Suggestion Email auditcommittee@sinyi.com.tw
- Stakeholders Email csr@sinyi.com.tw
- Founder internal mail, or by contacting the audit office in order to express the opinion or report inappropriate behavior of employees
- Sexual Harassment Prevention Hotline 1234
- Email sinyi1234@sinyi.com.tw

Grievance Mechanisms and Communication Channels p. 37

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Action Plan Risk Management

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An organization's risk management plays a critical role in monitoring and managing the risks and opportunities that stem from the internal and external forces that can impact a company's profitability, success, or even survival. Rather than handing the future to unpredictable environments and variables, it is better to continue to enhance the competitiveness and influence of the company, and be fully prepared to face various risks that may occur, grasp business opportunities, and face the new era.

Opportunities and Risks p. 11

Systemic Risk Management

Risk Management Organization

The risk management organization includes Sinyi's Board of Directors, risk management team, risk management unit, risk execution unit and risk audit unit. The responsibilities of each role are as follows:

Board of Directors	The Board of Directors is the highest supervisory unit of risk management and is responsible for reviewing the annual risk management report, risk execution report and audit report to ensure the effective implementation of the risk management system. The conference unit of the Board of Directors interacts and communicates with the Chiefs of Staff on environmental and social issues related to the company from time to time, and regularly reviews the impact, performance and strategic goals of ESG at the end of each year.
Total Ethical Management Committee	Resolved the material risk and the corresponding Risk Owner. Through risk identification, analysis and preparation of specific methods to implement risk management, and regularly reports to the Board of Directors.
Risk Management Unit (Risk Owner)	Identify risk issues and discuss with the risk management executive unit to undertake management objectives.
Risk Execution Unit	Put forward risk management objectives and measures. Report the results to the risk management unit on a regular basis.
Risk Audit Unit (Auditor Office)	Evaluates the effectiveness of the operation of the risk management system and mechanism. Implement the internal audit operations and regularly submit risk management results to the Audit Committee and the Board of Directors.

Risk Management Policy

In order to strengthen corporate governance and risk control capabilities, and continue to optimize risk management policies and procedures, Sinyi has formulated the "Sinyi Realty Risk Management Policy" and approved by the Board of Directors to determine Sinyi Group's material risk items from top-down, and use resources effectively focus on management. In response to possible risks that may arise in the course of business both internally and externally in a systematic way and in line with annual plans. We have developed the "Risk Management Operation Manual" to ensure the effective implementation of risk management operations. For material incidents, in order to immediately reduce disasters and resume normal operations, we also set up the "Sinyi Group Crisis Management Operation Process."

Risk Management Process

Construct a proactive risk management mechanism so that relevant units can respond to risk events in a timely manner through risk management procedures, reduce or avoid the impact of risk events, and ensure sustainable operations.

Through the establishment of risk management environment, risk identification, risk assessment, risk dealing, supervision and review, communication and negotiation processes, to identified the risks and opportunities, formulating strategies, and proposing action plans.

Risk policy and process, please refer to <http://csr.sinyi.com.tw/en/governance/risk-management.php>



Critical Incident Risk Management

In the changing environment, new types of risks are constantly emerging, including climate crises, sudden disease crises, and the like, which have a huge impact on the environment, society, and economy. At the same time, companies experience continued pressure to review and transform their business strategies in order to remain competitive.

The Risk of COVID-19

In response to the COVID-19 pandemic, Sinyi Realty quickly established Sinyi Group pandemic preparedness command center in January 2020 to pay close attention to the development of the pandemic. In addition, Sinyi's Preparedness Plan against COVID-19, implementation guidelines, and suggested standard operating procedures were published and enforced across the headquarters and branches.

As soon as the Taiwanese government raised the COVID-19 alert, Sinyi immediately began to conduct split working by group. According to the development of the pandemic, Sinyi complies with the government's policies and makes rolling corrections to external services and internal operations. By proposing guarantees and safety measures, Sinyi demonstrates organizational resilience.

The annual shareholders' meeting was held with strict compliance with COVID-19 preparedness and sanitary measures. Video-conferencing equipment was set up under network flow distribution to facilitate shareholders' simultaneous participation in the meeting, expression of opinions, and physical vote casting. The objective was to ensure that the meeting proceeds successfully in a safe and low-risk environment.

Please refer to p. 42, 58, 76 for Sinyi's response to the pandemic.

COVID-19 Response <http://csr.sinyi.com.tw/en/news/anti-pandemic.php>

Digital Resilience and Information Security Risks

The World Economic Forum's (WEF) annual report shows that information security risks such as data theft and cyber-attack have become one of the most important issues for global experts and policymakers. The 2020 pandemic has accelerated the urgency of digital transformation of enterprises, and digital resilience has become a key issue for the continuity of operations.

Sinyi has listed "Information Security" as one of the material risks of Sinyi Group, with the Information Security Management Department as the information security authority responsible for formulating internal information security policies, planning and implementing information security operation, promoting and implementing of information security policies, and report to the Board of Directors at least once a year on the information security implementation plan and implementation status to ensure the continuous and effective operation of the internal information security management mechanism.

Please refer to <http://csr.sinyi.com.tw/en/governance/risk-management.php>

Climate-Related Risk

Faced with the urgent challenge of "climate emergency", although the real estate brokerage industry is not an industry with high carbon emissions, Sinyi still raises its own attention to the impact of climate change and applies the TCFD framework for analysis and disclosure.

Climate change risk management p. 27-28, TCFD index p. 103

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