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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.

Material Topic >>>

- GRI 201 Economic Performance
- Custom Digital Resilience
- SASB Business Ethics

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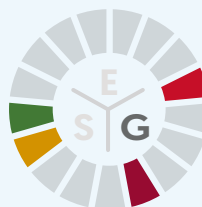
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Core Target and Vision

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, creating a sustainable lifestyle.



Corresponding to the Sustainable Development Goals (SDGs)

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

		Contents	Action Plans
	4.3	<ul style="list-style-type: none"> Continue to plan training program that linked to the company's core strategies for the Board 	<ul style="list-style-type: none"> Director training p. 60
	8.2 8.4	<ul style="list-style-type: none"> Digital transformation enables corporate resilience Introducing TCFD to address climate-related risks 	<ul style="list-style-type: none"> Digital resilience p. 64 TCFD p. 64
	12.6 12.8	<ul style="list-style-type: none"> Implement TCFD, SASB to strengthen ESG disclosure Enhance knowledge and skills of sustainability through activities and training 	<ul style="list-style-type: none"> Management of the Sustainability Report p. 58, 61 Sustainability promotion p. 58
	13.3	<ul style="list-style-type: none"> Addressing climate-related risks and opportunities, responding to the TCFD and advancing climate governance 	<ul style="list-style-type: none"> Climate-related risk p. 64

Strategic Goals



2021 Performance Overview

✔ Achieved ⚙️ Ongoing ❌ Not Achieved

	2021 Goals	2021 Performance	Achieved
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.	Refining the Board performance evaluation Regular performance reviews	Complete the Board performance evaluation 2021 Self-performance evaluation by the Board of Directors and functional committees	✔
	Refining corporate governance	Strengthen governance measure Workflow for new director training has been formulated	✔
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.	Implement information transparency	Strengthen information transparency - Complete the revision of the IR website - Implement TCFD and SASB	✔
	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	✔

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." 2-11 2-12 2-14

Each year, the Board of Directors sets out a grand strategy for the coordination of the various interests of our stakeholders, provides important guidelines for all aspects of sustainability 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 senior management jointly set the corporate vision: "Be the leading brand in the residential lifestyle services."** Then, the Total Ethical Management Committee (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 2-9 2-11

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.

 The complete company organization chart, and the committee membership list, please refer to "Governance Structure" of Sinyi sustainability website.



Responsible Unit for Sustainable Affairs: Total Ethical Management Committee 2-12 2-14

Regularly Review ESG Strategy and Performance

The Total Ethical Management (TEM) Committee is the highest ESG promotion unit in Sinyi Realty, it is convened by the Directors and the Chairman, with the members drawn from senior management, including the General Manager, C-Suites, the Vice General Manager of staff, and the Vice General Manager of sales. Its goal is primarily to coordinate and review the company's ESG and SDGs performance and progress. 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 at least once every half year and whenever otherwise convened, to discuss material issues. The TEM committee is managed by Corporate Sustainability 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 ESG performance and goal fulfillment reviews **every half year**.
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 senior management 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.

Corporate Ethics Sustainability Committee

In 2021, the Corporate Ethics Sustainability Committee has been established, mainly to propose the action pillar and direction of operation and social creation that can lead the direction of resource investment and have a consensus. The purpose is to unify and connect Sinyi's efforts in business ethics, corporate social responsibility, and sustainability development. It will create and form the synergy of the integration of organizational resources, and implement the practice of Sinyi's business mission "Sinyi people → Sinyi company → Sinyi society." Regular meetings are held **every month** to discuss the development and implementation of ESG projects. A total of 7 meetings have been held in 2021.

Committee Functional Working Group

Under the Corporate Ethics Sustainability Committee, we set up functional working groups. The manager of responsible departments takes up leader of each working group, and implements the sustainable projects approved by the TEM Committee, Corporate Ethics Sustainability Committee, and the Board of Directors. Each group will hold meetings or carry out projects irregularly according to different topics.

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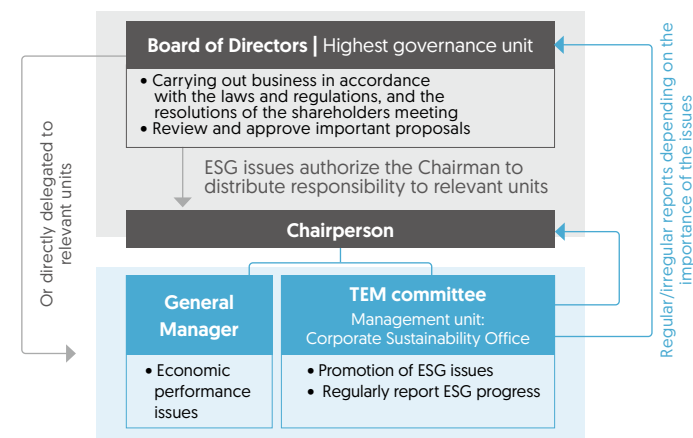
● Sustainability Assessment, ESG Performance and Management

2-9 2-12 2-13

The Board of Directors is the highest governance unit of the company. In addition to carrying out business in accordance with the laws and regulations and the resolutions of the shareholders' meeting, the company's strategic plans, annual financial reports and quarterly financial reports, evaluation of the effectiveness of the internal control system, the appointment (dismissal) of accountants, and the appointment and removal of managers, etc., must be approved by the Board of Directors.

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 and supply chain management issues, 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.

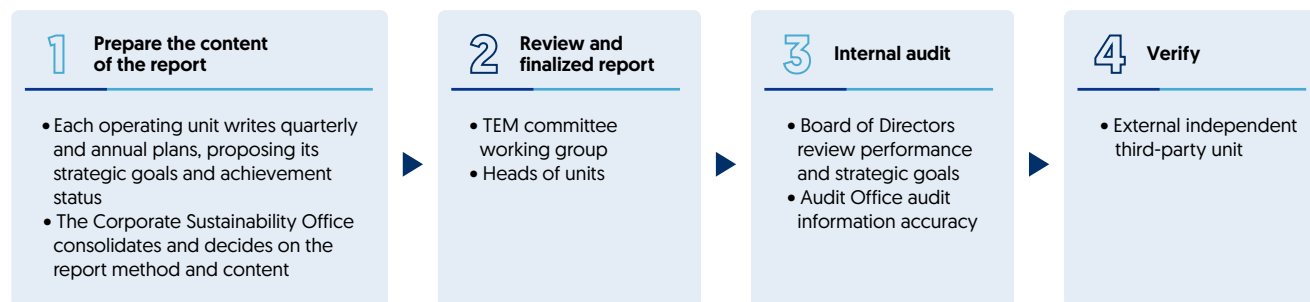
The TEM Committee reported to the Board on Sinyi's ESG situation including the implementation of the company's ESG with regard to all stakeholders in 2021 and putting forward a plan for 2022.



● Management of the Sustainability Report

SDG12.6

The TEM committee coordinates the direction of the sustainability report, and the Corporate Sustainability 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 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.



[p. 6 About This Report](#)

[Verification statement](#)

● Sustainability Promotion

SDG12.8

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."

TEM committee	<ul style="list-style-type: none"> Formulate CSR development direction and goals
CSR team members	<ul style="list-style-type: none"> Build ESG management system CSR Professional License / Practical Operation Share and absorb CSR knowledge Stakeholder engagement
Employees	<ul style="list-style-type: none"> Promote corporate culture and basic knowledge of CSR Volunteer

Item	Sustainable Activities	Total Hours	Influence (Number of people)
Sustainable promotion speech	• Founder's speech	3.5	5,214
Vision goal / Senior management training of sustainability	• TEM committee meeting • Training course	2	X
CSR team knowledge advancement	• CSR course • Seminar / Forum	376	20
Employee sustainability training	• Internal courses	200	200
Social influence	Host / Co-organizer by Sinyi • Sustainability Workshop • Visit / Lecture • Interaction between academic-industry-government (policy impact)	25.5	100
	Lecture session • Seminar speech	15	150

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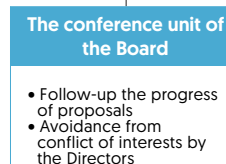
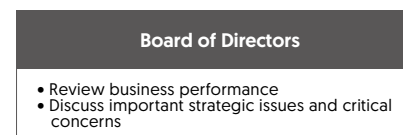
● Board of Directors' Operations

2-15 2-16

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.** 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.

■ **The Chief Corporate Governance Officer:** Be 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.



2021 Board Meetings

- Convene meetings on average at least once every 2 months
- A total of 11 Board meetings have been held in 2021
- Each attendance rate is over 97.4%
- More than half of the Independent Directors are present

🔗 Resolutions of Board of Directors Meetings

🔗 Implementation of the avoidance from conflict of interests by the Directors, please refer to [Sinyi Realty's 2021 Annual Report p. 3-26](#)

🔗 The annual material information, please refer to [Market Observation Post System](#) [stock code: 9940]

🔗 [Advanced study for the Chief Corporate Governance Officer](#)

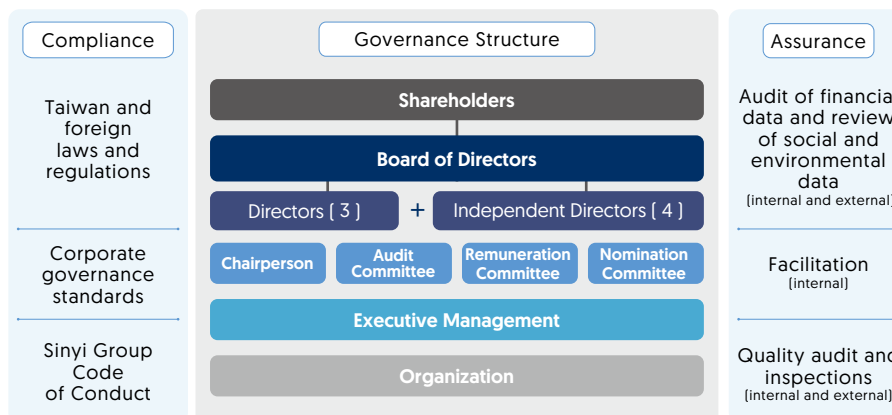
● Board Structure and Mechanisms

2-9

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

Among the 7 Directors, there is one female Independent Director, accounting for 14%. 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.

Sinyi Co., Ltd., the juristic-person director of the Company, has reappointed Mr. Ken-Yu Chou as its new representative, replacing Vice Chairperson Ms. Mei-Wen Chou Wang as the successor juristic-person director representative. Having been served in the sales and staff divisions of the Company with complete qualifications, Director Ken-Yu Chou is familiar with real estate brokerage business, data application, etc., and has also devoted himself to the Company's digital transformation plan in recent years.



🔗 For more information and a list of the Directors of the company's 13th Board, please refer to [2021 Annual Report p. 3-5~3-6](#)

2-10

● 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 committees, please see the "Functional Committee" of Sinyi sustainability website

● Processes for Consultation between Stakeholders

2-12

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.

Set up the "Audit Committee Complaint and Suggestion Mailbox" [auditcommittee@sinyi.com.tw] as a communication channel between employees, shareholders, other stakeholders, and the Audit Committee.

📖 p. 20 For more information, please see the [Stakeholder Engagement](#) section

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Board Member Compensation and Sustainability Performance

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

2-19

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	<ul style="list-style-type: none"> Attitude Implementation Achievement 	<ul style="list-style-type: none"> Attitude Implementation Achievement 	<ul style="list-style-type: none"> Improvement Innovation Achievement 	<ul style="list-style-type: none"> Corporate governance Business commitment Social inclusion Environmental protection

Structure of Performance-linked Remuneration

	2019	2020	2021
Fixed Salary (Monthly)	42%	41%	37%
Variable Compensation (Including long-term contribution of value bonuses)	58%	59%	63%

p. 80~81 The Remuneration for Senior management, please refer to appendix "Sustainability Performance Overview"

For further details, please refer to 2021 Annual Report p. 3-19~3-20

● Director Training

2-9

2-17

SDG4.3

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 company system according to their feedback. In order to arrange the Director training courses, we will first understand Independent Directors' needs, and arrange relevant courses in line with the annual strategic development directions.

The Director training status please refer to "Board of Directors" of Sinyi sustainability website.

● Remuneration Mechanism for the Board of Directors

2-19

Our disclosure of Individual Director's remuneration in the annual report and reported in Annual General Shareholder Meeting, which 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.

p. 78~79 The Directors' remuneration please see appendix "Sustainability Performance Overview"

For a detailed description of Directors' remuneration, please refer to 2021 Annual Report p. 3-17~3-19

Process for Determining Remuneration and Stakeholders' Involvement

● Performance Evaluations of the Board of Directors and Functional Committees

2-18

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 2021, 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."

The performance evaluation results please see "Board Members" of IR website.

● Strengthen Transparency of the Directors

■ Completed the insurance of Directors of 2021.07~2022.07 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.]

Intellectual Property Management Plan

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.

For more information, please see "Corporate Governance Implementation" of IR website.

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Information Disclosure and Transparency

● Protecting Shareholders' Interests, Promote Shareholder Activism

The primary principles of sound corporate governance mechanisms are the protection of shareholders' interests and the fair and equal treatment of all shareholders. Protecting the interests of our shareholders has always been one of the company's greatest concerns, and while the company's equity is relatively concentrated, in addition to maintaining close contact with major shareholders, we spare no effort in protecting the interests of shareholders as well.

 The 10 major shareholders, please see [2021 Annual Report p. 4-2](#)

○ Strengthen Transparency

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.

- **Launched our newly revamped IR website:** To enhance user experience and mobile-friendly.
- **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 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.
- **Increase the frequency of online investor conferences:** Held on quarterly basis.
- **Change the format of shareholders' meetings in response to COVID-19:** To maintain the limit of people for gatherings, except the main meeting room, we planned 5 separate rooms, and set up synchronous online equipment for shareholders to participate in the meeting and vote.

○ Strengthen ESG Disclosure

SDG12.6

TCFD Disclosed climate-related response, and passed conformity check process, the maturity model is Level 5+: Excellence grade.	SASB Disclosure of financial materiality and usefulness of investment decisions, and passed third-party verification.	Renamed Sustainability Report Third party verification	GRI Early adoption of GRI Universal Standards 2021.
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○ The Rights that Our Shareholders Enjoy

 The right to make proposals at and convene provisional shareholder meetings	 Rights of share disposition and application
 The right to nominate Directors and veto Board decisions	 The right to knowledge of the company's situation

○ Disclosure of Information Beyond Legal Requirements

Shorten the timeline of financial information announcement. 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.

Sinyi's practices	Regulatory / legal requirements
Revenue announcement completed before 10th of each month	Announced within 10 days
Quarterly Reports completed within 30 days	Completed within 45 days
Annual Reports completed within 2 months	Completed within 3 months
Shareholder meetings held by end of May	Held by the end of June
Disclosure of Directors' individual salaries	Disclosed pay grade only
Upload the Annual Report and Meeting Handbook to the Market Observation Post System 35 days before the shareholders' meeting	Upload the Annual Report 14 days before the shareholders meeting, and upload Meeting Handbook before 30 days

● 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 Finance Department 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.

 [Measures to prevent insider trading](#)

● Corporate Tax Contribution

Sinyi Realty has always paid taxes honestly. In 2021, the tax amount paid was NTD \$ 1,228,983,996 (including various taxes, Business Tax, and Profit-seeking Enterprise Income Tax), accounting for 9.24% of its revenue.

Category	Description	Amount (NTD\$)
Business Tax	January to December 2021	594,161,218
2021 Profit-seeking Enterprise Income Tax	Tax payable in 2021 (20% tax rate)	597,044,411
Tax on undistributed earnings of year 2020	Tax payable in 2021 (5% tax rate)	5,051,710
Various taxes	House Tax, Land Value Tax, Stamp Tax and other taxes in 2021	32,726,657
Total		1,228,983,996
Individual Operating Revenue in 2021		13,297,719,282
Percentage of Revenue		9.24%

 [The Tax Governance Policy](#)

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Ethics and Integrity

● Declaration on Integrity and Transparency

○ Sustainable Development Strategy and Code

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Business Ethics

To put our ethical behavior and integrity management into action, and in line with Sinyi's sustainable development goals, we established the "Sinyi Realty Inc. Ethical Corporate Management Best Practice Principles," "Sinyi Realty Inc. Sustainable Development Best Practice Principles," and "Sinyi Group Code of Conduct," which enable our employees to have clearer directions when interactive with stakeholders.



For more information on the strategy, policy and principles, please see "Policies and Principles" of Sinyi sustainability website

○ 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, in line with our motto: "Sinyi begins with trust and ends with perfection," 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 employees.
Discussion of business philosophy	All employees 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.

○ The First "Chief Ethics Officer," Integrating Ethics into Sustainable Practice

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.



Corporate Ethics Office E-mail: EnterpriseEthics@sinyi.com.tw

● Internal Audit

○ Internal Audit System and Structure

- **Independence:** The internal audit unit (Auditor Office) is subordinate to the Board of Directors, and set up an Audit Supervisor. The appointment, removal, evaluation and remuneration of the Audit Supervisor shall be approved by the Audit Committee and 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 Audit Supervisor, and approved by the Chairman of the Board of Directors. The Audit Supervisor shall attend the Audit Committee and the Board of Directors, and submit the internal audit report at each meeting.
- **Risk orientation:** Formulate and implement the Group's annual audit plan based on the risk assessment results, and plan audit operations based on the risk assessment results and control status of the audit items.
- **Systematize self-assessment assignments:** Design and implement a self-assessment system. In 2021, the internal control self-assessment at the operation level of each unit of the Group were carried out using the online system; a five-point scale has been developed to quantify the assessment results.
- **Professional ability:** Colleagues in the Auditor Office are certified as Certified Internal Auditor (CIA), and continue advanced studies, the number of study hours per year exceeds the legal requirements. And may entrust professional assistance due to business needs. 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.

○ Optimize The Internal Audit Mechanism

In 2021, Auditor Office appoint external professional consultants to assist the "Internal Audit Quality Optimization and System Establishment" project, in improving the internal and external quality evaluation mechanisms of internal audit system, also strengthen the independence of internal audit units, the objectivity of personnel, and gradually improve the quality of internal audit.

Based on the International Professional Practice Framework (IPPF) issued by The Institute of Internal Auditors as the framework, the standard procedure documents and templates for internal audit operations have been updated and revised, including implementation rules of internal audit, 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.

The Auditor Office continue to optimizes the quality of various operating procedures and tools through several plans in 2022. Strengthen the use of computer-aided audit tools and develop automated audit programs. Assist real estate planning and research office to implement the intellectual property management system, which also help to improve the internal control system. And continue to optimize and develop the internal control self-assessment system to expand to overseas subsidiaries.



For the execution flow chart of the audit project, please refer to "Risk Management" of Sinyi sustainability website



Communication between Independent Directors, Audit Supervisor, and Certified Public Accountants: [2021 Annual Report p. 3-29](#)

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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.

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 announce legal cases on the intranet, explaining legal knowledge such as false advertisements and real estate brokerage management regulations.

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	2021 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 15 legal cases (about the agency's obligation to report factually and investigate housing conditions, false advertisements, precautions for advertising on the Internet and social platforms, etc.), 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 10 cases about intermediary service advertisements, hotel room rental, community activity terms, modification of the terms of service of the Taiwan Regional Revitalization Foundation were reviewed.

2021 Responses to Negative News or Incidents

- In 2021, there are two substantial fines of more than NTDS 100,000 (inclusive):
- NTDS 110,000 due to improper content on the official website and publicity advertisements.
 - In addition, due to the unfamiliarity of the handling personnel with the regulations on political donations, a fine of NTDS 1 million was imposed on excessive political donations.
 - In order to prevent the above incident from happening again, Sinyi will re-examine the operation process, improve the inspection mechanism, and strengthen personnel education and training.

 p. 47 For related content and improvement measures, please refer to the "Social – External Stakeholders" Marketing and Labeling section

 For more detailed and current information, please see "Announcement" on Sinyi sustainability website

Whistleblower System

2-23 2-25 2-26

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.

 p. 35 Grievance Mechanisms and Communication Channels

Appeal Method

- Customer complaint hotline 0800-211-922
- 24-hour online customer service
- Customer Service Email sinyi@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

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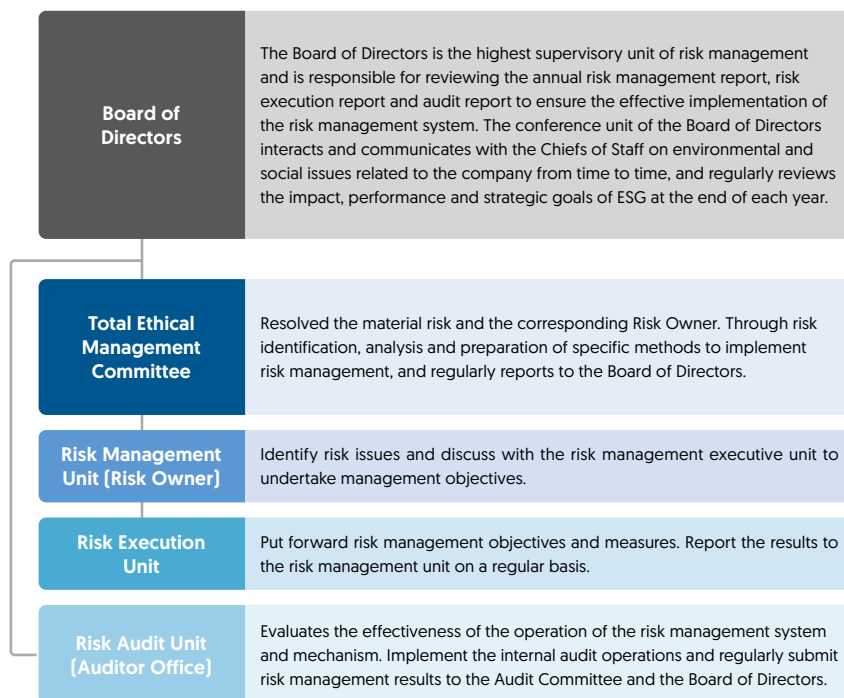
An organization's risk management plays a critical role in monitoring and managing the risks and opportunities that stem from the internal and external forces that can impact a company's profitability, success, or even survival. Rather than handing the future to unpredictable environments and variables, 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.

[p.15](#) Opportunities and Risks

● 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:



○ 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 Policy](#)

● 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.

○ Climate-Related Risk

201-2 SDG8.4 SDG13.3

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.

[p. 27-28](#) Climate Governance and Action [p. 100](#) TCFD content index

[Sinyi Realty TCFD Report](#) [Climate-Related Risks and Opportunities](#)

○ 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.

[p. 40, 53](#) Sinyi's response to the pandemic. [Sinyi Strategies on Account of COVID-19](#)

○ Digital Resilience and Information Security Risks

Digital Resilience SDG8.2

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 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.

In response to the COVID-19 outbreak, Sinyi built a home office environment. In addition to the original network segment isolation structure, the use of virtual private networks requires two-factor authentication or verification of digital personal credentials before connecting. And limit personal remote desktop permissions, with the analysis and review of various usage records, to ensure the safety of remote work.

[Information security policy: "Risk Management"](#)

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