

# 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 sustainable development.



## Material Topics

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

## Corresponding to the Sustainable Development Goals (SDGs)



 SDGs Content Index p.110

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# Sustainability Strategies and Goals

## 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.

## Strategic Goals



## 2022 Performance Overview

✔ Achieved 
 ⦿ Ongoing 
 ⊖ Not 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.

### 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.

	Optimizing Corporate Governance Practices	Transparency, Integrity and Compliance
2022 Goals	Refining the Board performance evaluation Regular performance reviews	Implement information transparency
2022 Performance	Complete the Board performance evaluation 2022 Self-performance evaluation by the Board of Directors and functional committees	Strengthen information transparency • Complete the revision of the IR website • Implement TCFD and SASB
Achieved	✔	✔

# 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."

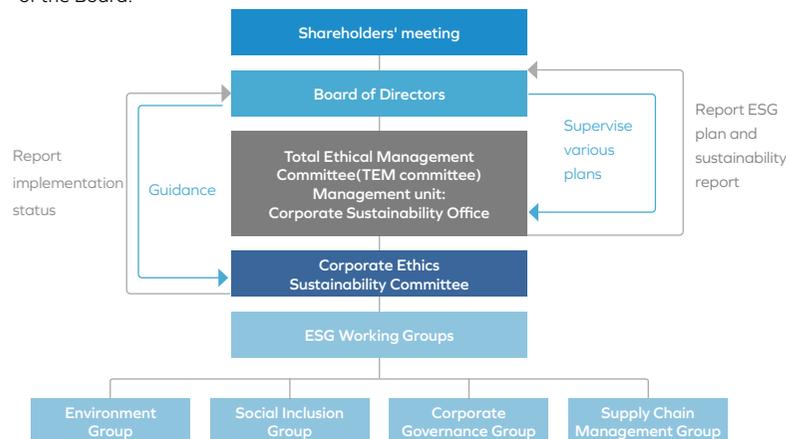
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Each year, the Board of Directors sets out a grand strategy for the coordination of the various interests of our stakeholders, provides important guidelines for all aspects of sustainability management. The long-term direction toward sustainable development 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

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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

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#### 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 them, 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 11 meetings have been held in 2022.

### 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.

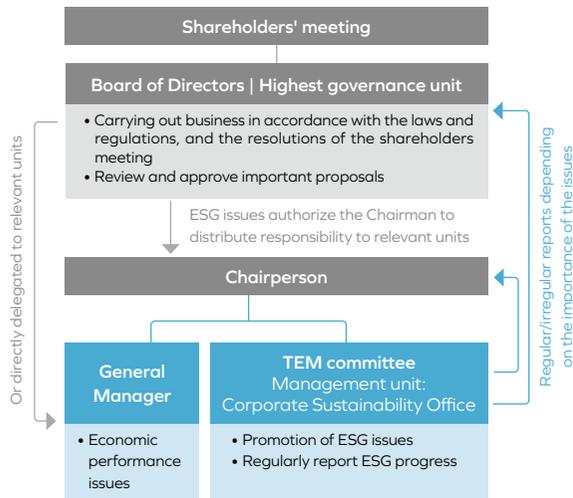
## Sustainability Assessment, ESG Performance and Management

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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.

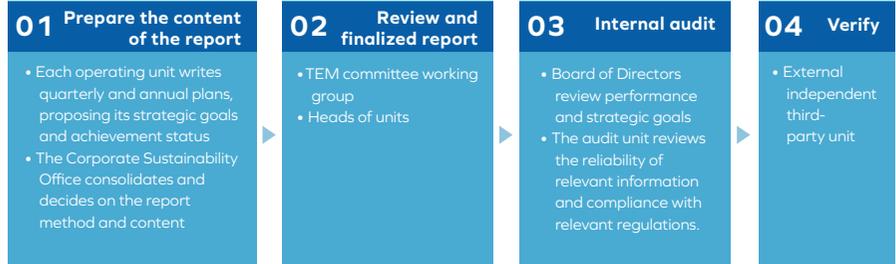
**The TEM Committee reported to the Board on Sinyi's ESG situation including the implementation of the company's ESG with regard to all stakeholders in 2022 and putting forward a plan for 2023.**



## 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.



About This Report p. 9 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."

Item	Sustainable Activities	Purposes
Sustainable promotion speech	• Founder's speech • Monthly meeting sharing	• Sustainable philosophy sharing
Sustainability training and meetings for managers at all levels	• Committee meeting • Manager training course	• Formulate sustainable development direction and goals
ESG team knowledge advancement	• ESG course / seminar / forum	• Sustainable development experience sharing
Employee sustainability training	• Internal courses / volunteer events • Lecture or workshop	• Promote corporate culture and basic knowledge of sustainability
Social influence	• Host / Co-organizer by Sinyi: Visit / Lecture/ Seminar speech / Workshop • Sustainability Interaction between academic-industry-government	• Stakeholder engagement • Influence policy

### C.R.E.A.T.E. workshop

Arranging regular customized training courses, using design thinking methodology, and assisting colleagues to develop ideas across domains, which will effectively combine the advantages of the group and take into account the expectations of various stakeholders, so as to produce sustainable solutions that lead the industry in creativity and feasibility .



# Board of Directors' Structure and Operation

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## Board of Directors' Operations

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We convene meetings of the Board of Directors **on average once every months, to review business performance, discuss important strategic issues and critical concerns, including economic, environmental, and people 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. Reportable and resolution matters regulated by laws and regulations, such as important financial business reports, audit reports, business plans, financial reports, etc., are submitted to the Board of Directors each time in accordance with regulations.

**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.

**Communication of critical concerns:** According to the materiality of financial or topics, report to the Board critical concerns that have a significant impact on operations. The Board will supervise management measures and performance, and indicate strategies and directions for critical concerns, so as to assist the company in creating long-term value.

**(1) Financial materiality:** The company and its subsidiaries have submitted proposals to the Board for resolutions on securities or real estate investments exceeding NT\$50 million. In 2022, there are a total of 4 cases.

**(2) Significance of the topic:** The results of the greenhouse gas inventory are reported to the board of directors on a quarterly basis, with a total of 3 times in 2022. In addition, the audit office also reports the results of major risk assessments on a quarterly basis, 3 times in 2022. Regarding key issues such as sustainable development, honest management, information security, intellectual property management, investor relations, and major litigation cases, they reported to the Board of Directors before the end of the year, with a total of 6 cases. In addition, in 2023, a report of whistleblowers reporting misconduct will be added to establish a correct corporate ethics culture, prevent malpractices from daily operations, and implement corporate governance to ensure the company's sustainable development.

**Board of Directors**

- Review business performance
- Discuss important strategic issues and critical concerns

**The conference unit of the Board**

- Follow-up the progress of proposals
- Avoidance from conflict of interests by the Directors

**The Chief Corporate Governance Officer**

- Arrange Board meetings
- Plan Directors's training
- Update information to the Board of Directors

**2022 Board Meetings**

- Convene meetings on average at least once every month
- **A total of 14 Board meetings have been held in 2022**
- Average attendance rate: 97%
- More than half of the Independent Directors are present

- 📄 Resolutions of Board of Directors Meetings: [2022 Annual Report p. 3-139~3-149](#)
- 📄 Implementation of the avoidance from conflict of interests by the Directors: [2022 Annual Report p. 3-27~3-28](#)

📄 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

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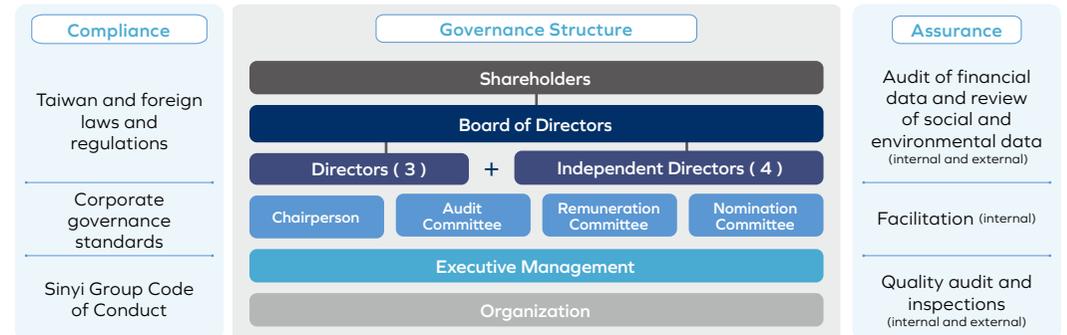
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The current 14th Board of Directors has a total of seven seats (term of office: 2022/5/19-2025/5/18), which are composed of three general Directors and four Independent Directors; Independent Directors make up over half of all seats. In addition to 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. Furthermore, standards are set for the professional knowledge, skills, experience, diversity of backgrounds including gender, and independency required for board members and senior executives. In addition, An-Sin Real Estate Management Ltd. (An-Sin) is responsible for handling Sinyi's escrow services and collects intermediary service fees from clients on behalf of the company. Upon completion of the transaction, the service fees are transferred to Sinyi. The company's natural person directors hold a 3% equity of An-Sin, and is at no risk of concentrated conflicts of interest.

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, the company selected Mr. Chih-Wei Wu, who has experience in real estate development, as an independent director in 2022. With his high supervision standards and practical experience in the construction industry, he will benefit the growth of Sinyi's subsidiary of real estate development. Sinyi fully trusts and respects the participation of Independent Directors, thus forming a positive Board operation culture.

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. He was elected as the Vice Chairperson by the Directors in 2022.

Vice Chairperson Ken-Yu Chou and Director Chun-Chi Chou are also the top ten shareholders of the Company.



📄 List of the Directors of the company's 14th Board and concurrently hold positions in other companies, please refer to [2022 Annual Report p. 3-5~3-6](#)

📄 List of key shareholders (The top shareholders in terms of shareholding ratios), please refer to [2022 Annual Report p. 4-2](#)

## Functional Committees

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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.

# Board Member Compensation and Sustainability Performance

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

2-18 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. To align the performance of senior executives with the company's sustainability vision and strategic objectives, the sustainable operation goals are flexibly incorporated into the KPIs and considered as an integral part of the evaluation criteria. This ensures that changes in compensation have a tangible impact on driving sustainable outcomes.

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

### Structure of Performance-linked Remuneration

	2020	2021	2022
Fixed Salary (Monthly)	41%	37%	50%
Variable Compensation (Including long-term contribution of value bonuses)	59%	63%	50%

The Remuneration for Senior management, please refer to appendix "Sustainability Performance Overview" p. 88

For further details, please refer to 2022 Annual Report p. 3-20~3-22, 3-24~3-26

## Remuneration Mechanism for the Board of Directors

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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. To ensure the effective implementation of sustainable management, our company incorporates "ESG action" as a key consideration in the board's performance evaluation criteria. This is to reinforce the linkage between sustainable performance and director remuneration.

**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.

**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. Among them, Director Chun-chi Chou did not receive director 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.

The Directors' remuneration please see appendix "Sustainability Performance Overview" p. 86~87

For a detailed description of Directors' remuneration, please refer to 2022 Annual Report p. 3-17~3-19, 3-23~3-24

Sinyi sustainability website: [Process for Determining Remuneration and Stakeholders' Involvement](#)

## Performance Evaluations of the Board of Directors and Functional Committees

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We have set out the "Regulations on Performance Evaluation of the Board of Directors" and disclosed them in 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 2022, 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.

## 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.

# 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 [2022 Annual Report p. 4-2](#)

### 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 18 days and 21 days before the shareholders' meeting	Upload the Annual Report 7 days before the shareholders meeting, and upload Meeting Handbook before 21 days

### 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.

GRI

Early adoption of GRI Universal Standards 2021.

Renamed Sustainability Report

Third party verification

### 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.

**Optimize the user experience of the investor relations website:** Continue to adjust the friendliness of the webpage to improve the convenience of investors' browsing and use.

**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.



## 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](mailto:auditcommittee@sinyi.com.tw)) as a communication channel between employees, shareholders, other stakeholders, and the Audit Committee.

For more information, please see the [Stakeholder Engagement](#) section p. 24

### Intellectual Property Management Plan

We continue to strengthen the management of intellectual property rights, using patents and trade secrets as the main protection mechanism, and linking the company's business strategies to deepen corporate governance and enhance competitiveness. The company formulates an intellectual property management plan, which is implemented by a dedicated unit, and reports to the Board of Directors every year the implementation of the intellectual property management plan for the current year, as well as improvements in the coming years.

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

## Measures for the Board of Directors to Deepen ESG

**Building a "Zero Carbon Island":** Sinyi Realty purchased Mengalum Island in Sabah, Malaysia, and plans to build a "net-zero island." The development of natural ecology and tourism are equally important, so the company actively investigates the surrounding marine ecology and conducts land and sea flora and fauna Restoration plan. In addition, in December 2022, the Board of Directors approved the acquisition of part of the coastal land located in Kg. Pengalat Besar, Sabah, Malaysia, for the development of sightseeing and tourism. After development, it will be able to carry out overall development planning with the Mengalum Island that the company has purchased. The most important thing at present is to restore the ecological environment such as coral reefs, sea turtles, and forests, and a zero-carbon-emission island will be created to achieve the goal of "Sinyi Realty's 2030 net-zero emissions, and Sinyi Group's 2050 net-zero emissions."

**Strengthen the sustainability supervision of the Board of Directors:** In response to the impact of climate change and international concerns about sustainability issues, according to the "Sustainable Development Roadmap for Listed Companies" stipulated by the Financial Supervisory Commission, the company report the implementation progress of greenhouse gas emissions to the Board of Directors on a quarterly basis from Q2 2022, to strengthen the responsibility for sustainable development.

**The Board of Directors supports public welfare activities for long-term:** Establish a society of Co-existence, Co-prosperity, and Co-creation. Sinyi support "We are ONE" project to assist individuals or groups who are interested in promoting community building to thrive. Sinyi also funded the Taiwan Regional Revitalization Foundation, through people-oriented spirit, combined local creation and innovation, we aim to revitalize local industries, create employment and promote population return, and to achieve a balanced Taiwan. Moreover, Sinyi funded Sinyi School of National Chengchi University, continuing to promote business ethics through education, research and professional practices. Together with our partners from the industry, government, and academia, we work hand in hand to promote the implementation of ESG.

**Director's insurance:** Complete the 2022.07-2023.07 Director's insurance, and ask the insurance company to attend the Board meeting to explain.

**Continuously provide independent directors with real-time company-related information:** Including major decision-making information, important market instant news, etc.

## 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

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Sinyi Realty has always paid taxes honestly. In 2022, the tax amount paid was NTD \$ 762,835,010 (including various taxes, Business Tax, and Profit-seeking Enterprise Income Tax), accounting for 7.57% of its revenue.

Category	Description	Amount (NTD\$)
Business Tax	January to December 2022	448,432,056
2022 Profit-seeking Enterprise Income Tax	Tax payable in 2022 (20% tax rate)	279,908,481
Tax on undistributed earnings of year 2021	Tax payable in 2022 (5% tax rate)	0
Various taxes	House Tax, Land Value Tax, Stamp Tax and other taxes in 2022	34,494,473
Total		762,835,010
Individual Operating Revenue in 2022		10,077,629,692
Percentage of Revenue		7.57%

 [The Tax Governance Policy](#)

# Ethics and Integrity

## Declaration on Integrity and Transparency

2-23 2-24 Business Ethics

### 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 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
- For the policy approval process, please refer to the 2022 Annual Report p.5-34

### Human Rights Policy and Commitment

Sinyi has always upheld our "people-oriented" spirit of trustworthiness, recognizing and voluntarily following the international human rights protection standards to prevent any violations of human rights. Sinyi treats all workers with dignity and respect by the "Sinyi Realty Human Rights Commitment".

- Sinyi human rights protection policies p. 47
- Conduct ESG audit to confirm suppliers compliance with human rights and OHS p. 73
- 2022 Annual Report p. 3-107~3-110, 3-119~3-120

### 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.

## Whistleblower System

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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.

Grievance Mechanisms and Communication Channels p. 39

### Appeal Method

- Customer complaint hotline 0800-211-922  
24-hour online customer service  
Customer Service Email [sinyi@sinyi.com.tw](mailto:sinyi@sinyi.com.tw)
- Stakeholders Email [csr@sinyi.com.tw](mailto:csr@sinyi.com.tw)
- Corporate Ethics Office E-mail: [EnterpriseEthics@sinyi.com.tw](mailto:EnterpriseEthics@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](mailto:sinyi1234@sinyi.com.tw)

# Compliance Management 2-27

## 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 are 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	2022 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.	Announced 14 legal cases (about the Authorization and entrustment matters, provision of house sales market information, advertisement and listing of the name of the brokerage company, copyright, 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 15 cases have been reviewed, such as the content of the home loan trial calculation webpage, community activity terms, and modification of the service terms of the Taiwan Regional Revitalization Foundation, etc.

### 2022 Responses to Negative News or Incidents

In 2022, there were one substantial fine of NTD\$ 100,000 for real estate advertising violation. For more detail and follow-up management measures, please refer to the "Marketing and Labeling" section in the "Social –External Stakeholders" chapter. For other media clarifications or incident responses, please refer to "Announcement" on Sinyi sustainability website.

Marketing and Labeling p. 51 Sinyi sustainability website "Announcement"



## 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. Audit supervisors are required to attend all Audit Committee and Board meetings and report on the implementation of internal audit business. Communication meetings are arranged twice a year with Independent Directors.

**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 2022, the Audit Office will continue to implement the relevant systems produced by the "Internal Audit Quality Optimization and System Establishment" project assisted by external professional consultants in 2021, standardize various audit operations and continue to revise them. In 2023, it is planned to introduce electronic sign-off of audit reports to improve sign-off efficiency and reduce paper consumption.

The internal control self-assessment system continued to be optimized, the scope of online execution was expanded, and the overall level was included, while paperless operations were further implemented. In 2023, it is planned to implement the five-point scale to the self-assessment work of 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: 2022 Annual Report p. 3-31~3-35

# 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. 13](#)

## 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:

<b>Board of Directors</b>	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.
<b>Risk Management Team</b>	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.
<b>Risk Management Unit (Risk Owner)</b>	Identify risk issues and discuss with the risk management executive unit to undertake management objectives.
<b>Risk Execution Unit</b>	Put forward risk management objectives and measures. Report the results to the risk management unit on a regular basis.
<b>Risk Audit Unit (Auditor Office)</b>	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 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.

[Climate Governance and Action p. 29~30](#), [TCFD content index p. 108](#)  
[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.

[Post-pandemic employee support actions p. 43](#)

### 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.

As the real estate brokerage industry, we use a huge database and information system to serve our customers in daily operations. In the process of real estate transactions, we also handle many customer data. Therefore, information security is not only the foundation of company's daily operation, but also important competitive niche. With the rapid development of network and communication technology, the importance of information security is increasing. We continued to improve information security management and either established or revised information security management practices by following the ISO security management structure and our security requirements.

At the same time, The COVID-19 pandemic has accelerated the urgency of digital transformation of enterprises. In the face of the cybersecurity risks associated with the digital era, digital resilience has become a key issue for the continuity of operations.

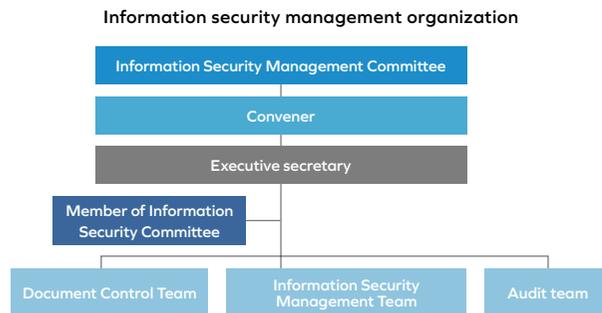
# Information Security Management

## Information Security Risk Management Framework

To enhance cybersecurity governance, the company introduced ISMS information security management system in 2022, and followed ISO 27001 international information security standard and the PDCA cycle operation mode, constructed a cybersecurity management system, and set up an "Information Security Management Committee," in-charged by our Digital Intelligence Center manager as the convener. All the other first-level supervisors at Center as the committee members.

The "Information Security Management Committee" holds at least one "Information Security Management Review Meeting" every year, and is responsible for discussing, reviewing, and making resolutions on the company's information security strategy planning, control measures, and implementation to ensure its effective operation and continuous improvement.

The company's information security management organization is shown in the figure below.



## Information Security Policy

Promote the information security management system, implement the company's information security management operations, and regularly review the implementation results to achieve the goal of comprehensive information security.

- Strengthen the security of information systems, network services, and physical environments to prevent leakage of electronic confidential information.
- Establish information security incident response procedures to avoid damage expansion.
- Formulate an operation continuity plan for information security and perform actual drills to ensure that the business can continue to operate in the event of an emergency.
- Conduct information security education and training to strengthen the recognition and protection knowledge of all colleagues on information security.

## Information Security Goals

Through the formulation of information security policies suitable for the company's business type, and appropriate resources are invested to ensure the confidentiality, integrity and availability of information.

- Ensure the confidentiality of information and implement data access control. Information can only be accessed by authorized personnel.
- Ensure that the content of the information is correct and complete, and avoid unauthorized modification.
- Ensure the availability of information systems to meet the needs of business operations.
- Ensure that information operations comply with the requirements of relevant laws and regulations.

## Information Security Management Measures

Categories	Descriptions	Relevant operations
Privilege management	The management systems over User ID, privilege management, and behaviors of system operations	<ul style="list-style-type: none"> <li>• Privilege management and review over User ID</li> <li>• Periodical inventory check over the privilege of User ID</li> </ul>
Access control	The control measures for the entire personnel in access to internal and external systems and information transmission channels.	<ul style="list-style-type: none"> <li>• Develop internal/external access control measures</li> <li>• Establish a sensitive data leakage management and control mechanism</li> <li>• Save operation behavior track records</li> <li>• Enable multi-factor authentication for privileged accounts</li> </ul>
External threats	Potential internal vulnerability, virus channels and protective measures thereof.	<ul style="list-style-type: none"> <li>• Host/computer vulnerability protection and update measures</li> <li>• Virus Protection and Malware Detection</li> <li>• Source code inspection/penetration testing/weakness scanning</li> <li>• Continuous monitoring of cyber threats</li> <li>• Deploy endpoint behavior monitoring</li> </ul>
Business continuity	System availability status and countermeasures against an event of service interruption	<ul style="list-style-type: none"> <li>• High-availability architecture for important systems and networks</li> <li>• System/network availability status monitoring and notification mechanism</li> <li>• Contingency measures for service interruption</li> <li>• Information backup measures, local/off-site backup mechanism</li> <li>• Regularly conduct business continuity drills</li> </ul>

## Information Security Protection

In response to diversified hacker attack patterns, Sinyi adopts multi-level defense-in-depth and detection mechanisms in terms of security protection measures, designs isolation structures according to service types, and deploys firewalls, intrusion detection, anti-virus, endpoint protection, Internet behavior control, DLP data security protection and other systems continuously implement network and mail advanced persistent penetration attack (APT) protection system monitoring, collect and analyze internal cross-dimensional detection information, supplemented by external information, and grasp the latest In accordance with the ISMS information management system norms and procedures, timely adjust response strategies and respond to threat events, so that the company's overall information security protection keeps pace with the times, continues to improve digital resilience, and information security risks are effectively controlled.

## Information Security Education and Training

Our company places great importance on shaping the organizational cybersecurity culture and awareness. We regularly conduct cybersecurity awareness trainings, including a minimum 1 hour of basic cybersecurity education for all employees and 3 hours of advanced training for IT staff each year. In 2022, a total of 3,532 people completed training related to information security. Additionally, we periodically publish security-related announcements through our internal corporate portal to educate employees on new cybersecurity knowledge or safe email usage. We also conduct social engineering attack drills to enhance employees' awareness of phishing emails, thus promoting a heightened level of cybersecurity awareness among all staff members. In 2022, a total of 5 information security awareness were released, and 3 phishing emails drills were carried out, with more than 15,000 people tested.

## Information Security Incident

In 2022, the company did not experience any related losses due to information security incidents.