Stock Code: 5533

## **FOUNDING CONSTRUCTION DEVELOPMENT CORP.**

## General Shareholders' Meeting 2021 Meeting Handbook

Meeting Date: June 10, 2021 Meeting Place: 4F., No. 128, Sec. 1, Datong Rd., Xizhi Dist., New Taipei City (Conference Room, FUSHIN Hotel-Taipei)

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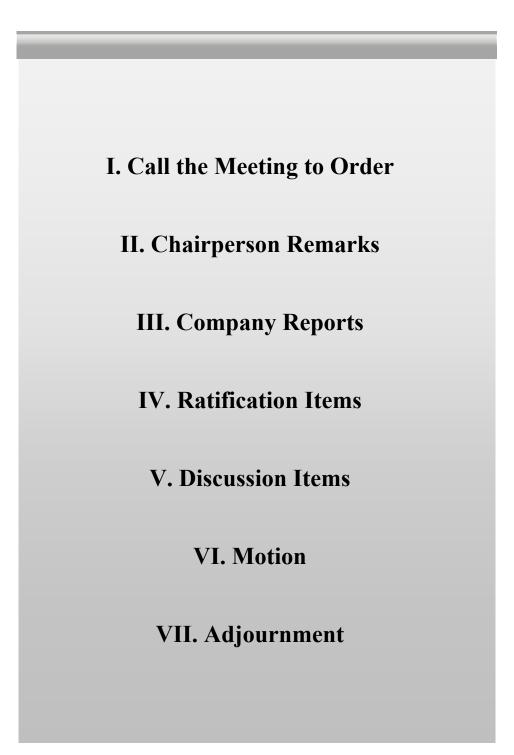
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## Founding Construction Development Corp. Procedure for General Shareholders' Meeting 2021



## Founding Construction Development Corp. Meeting Agenda of General Shareholders' Meeting 2021

Time : 9:00a.m June 10, 2021 (Thursday)

Place : 4F., No. 128, Sec. 1, Datong Rd., Xizhi Dist., New Taipei City (Conference Room, FUSHIN Hotel- Taipei)

- I. Call the Meeting to Order (report the number of shares represented by attending shareholders)
- II. Chairperson Remarks
- III. Company Reports
  - 1. 2020 Business Report
  - 2. 2020 Audit Committee Report
  - 3. 2020 Distribution of Director Remuneration and Employee Bonus
  - 4. 2020 Distribution of Cash Dividend
  - Amendments to the "Codes of Ethical Conduct for the Board of Directors and Managers"
- **IV. Ratification Items** 
  - 1. 2020 Business Report and Financial Statements
  - 2. 2020 Profit Distribution Statement
- V. Discussion Items
  - 1. Amendments to the "Procedures for Acquisition and Disposal of Assets"
  - 2. Amendments to the "Rules for Election of Directors"
- VI. Motion
- VII. Adjournment

## **Company Reports**

### Report No 1.

2020 Business Report (Please refer to Attachment I on p.6 of the handbook)

### Report No2.

2020 Audit Committee Report (Please refer to Attachment II on p.8 of the handbook)

## Report No 3.

2020 Distribution of Director Remuneration and Employee Bonus

### **Explanation:**

- According to the Articles of Incorporation, the Company sets aside NT\$3.24 million, 1.19% of the profit as director remuneration, and NT\$5.961 million, 2.20% of the profits as employee bonus.
- 2. The aforementioned remuneration of directors and employee bonus are all distributed in cash.

## Report No 4.

2020 Distribution of Cash Dividend

## **Explanation:**

- 1. According to Article 20 of the Articles of Incorporation, the Board of Directors is authorized to resolve that all or part of the dividends and bonuses to be distributed shall be paid in cash and reported to the shareholders meeting.
- 2. The Company appropriates NT\$ 171,146,966 for cash dividends of NT\$0.6 per share to the shareholders. The amount of cash dividends is truncated to a whole dollar value, and the sum of fractional dividends less than NT\$1, which shall each be adjusted in descending order by decimal number from the largest to the

smallest and in ascending order by the shareholder account number, shall add up until the total distributable amount of cash dividends is reached.

3. This proposal is approved by the Board of Directors and the Chairman is authorized to establish the ex-dividend date, payable date and other relevant matters. If there is any change in the number of outstanding ordinary shares of the Company that results in a variation of the payout ratio, the Chairman is also authorized to adjust such payout ratio with plenary power.

#### **Report No 5.**

Amendments to the "Codes of Ethical Conduct for the Board of Directors and Managers" (Please refer to Attachment III on p.9 of the handbook).

#### **Ratification Items**

#### **Proposal No.1: Proposed by the Board of Directors**

Adoption of the 2020 Business Report and Financial Statements

#### **Explanation:**

- 1. The Company's 2020 business report and financial Statements were prepared by the Board of Directors, among which the financial statements have been entrusted to the certified public accountants, Lu, I-Chen and Lin, Yi-Hui of Deloitte Touche Tohmatsu Limited Taiwan for auditing to generate an audit report.
- 2. For the company's business report, independent auditor's report, and financial statements, please refer to Attachment I and IV on p.6 and p.13 of the handbook, respectively.

#### **Resolution:**

#### **Proposal No.2: Proposed by the Board of Directors**

Adoption of the 2020 Profit Distribution Statement

## **Explanation:**

For the 2020 Profit Distribution Statement, please refer to Attachment V on p.38 of the handbook.

### **Resolution:**

### **Discussion Items**

## **Proposal No.1: Proposed by the Board of Directors**

Amendments to the "Procedures for Acquisition and Disposal of Assets"

## **Explanation:**

- 1. In order to meet the needs of business efficiency, the company hereby proposes to amend the "Procedures for Acquisition and Disposal of Assets".
- For a comparison table for the amendments to the "Procedures for Acquisition and Disposal of Assets", please refer to Attachment VI on p.39 of the handbook.

## **Resolution:**

## **Proposal No.2: Proposed by the Board of Directors**

Amendments to the "Rules for Election of Directors"

## **Explanation:**

- 1. Based on the change of relevant regulations, the company hereby proposes to amend the "Rules for Election of Directors"
- 2. For a comparison table for the amendments to the "Rules for Election of Directors", please refer to Attachment VII on p.41 of the handbook.

**Resolution:** 

Motion

## Adjournment

#### **2020 Business Report**

Affected by the COVID-19 pandemic in 2020, the momentum of economic growth has been drastically slackened and impacted the global trade. Global actions, such as countries' active support for expansionary policy, the multifaceted opposition between the United States and China, other geopolitical risks, and the political gridlock caused by growing tensions of cross-strait relations, are all closely tied to the development of various economic sectors. From the aspect of domestic market, while the domestic demand has been gradually recovering as the pandemic is slowing down in Taiwan, the government continues to promote "Three Major Programs for Investing in Taiwan" to attract domestic and overseas funds, and with the expanding construction of offshore wind power facilities and the "Reconstruction of Urban Unsafe and Old Buildings" policy, the momentum of private investments is expected to heat up and hold up a stable economic growth.

From the aspect of the domestic real estate market, after the U.S.-China trade war, the repatriation of overseas funds and the transformation of global supply chain have spurred the development of industrial real estate. The housing market demand is shifting toward rigid demands of self-occupied properties and house changing. However, the construction industry is facing severe shortage of manpower, lower birth rate, salary stagnation, and the impact of COVID-19, the growth of the housing market needs to be unceasingly observed.

In addition to our business commitment and continuous land development, we are actively integrating urban renewal programs and joint construction projects between landowner and builder. We simultaneously devoted to hotel operations. At present, branches of FUSHIN Hotel, including FUSHIN Hotel-Taipei, FUSHIN Hotel-Taipei No.2, FUSHIN Hotel-Taichung, FUSHIN Hotel-Tainan, FUWARD Hotel are all in operation, yet the Covid-19 pandemic has severely impacted our hotel business.

#### **1.**Operating Philosophy

The Company upholds the values of honesty, quality and service. With an honest and responsible mind, we design safe, solid, personalized and technologized products under quality assurance requirements, and provide the best customer service as our vocation. We will continue to strengthen our capacity in research and development, innovation, and comprehensive quality improvement with a goal to achieve business sustainability.

				Unit: NT\$ thousand
	2020	2019	+/(-)	+/(-) %
Operating Revenue	3,834,898	1,631,542	2,203,356	135.05%
Operating Costs	3,234,290	1,152,499	2,081,791	180.63%
Gross Profit	600,608	479,043	121,565	25.38%
Operating Expenses	287,190	308,782	(21,592)	(6.99%)
Net Operating Income	313,418	170,261	143,157	84.08%
Net Profit	242,758	94,338	148,420	157.33%
EPS	0.85	0.33	0.52	157.58%

#### 2. Operating Performance

#### 3. Budget Implementation

According to the Regulations Governing the Publication of Financial Forecasts of Public Companies, the Company is not required to prepare financial forecasts for 2020.

#### 4. Profitability Analysis

	2020 (consolidated)	2019 (consolidated)
Debt to asset ratio (%)	46.80	51.03
Long-term capital to property, plant and equipment (%)	203.44	193.74
Current ratio (%)	209.58	184.49
Quick ratio (%)	16.32	11.12
Interest Coverage Ratio (x)	7.55	2.70
Return on assets (%)	1.90	0.99
Return on shareholders' equity (%)	3.28	1.27
Ratio of income before tax to paid-in capital (%)	9.56	4.03
Profit margin (%)	6.33	5.78
Adjusted EPS (NT\$)	0.85	0.33

Chairman: Liu, Hsin-Hsiung M

Manager: Liu Hua-Hsing Ace

Accounting Officer: Cheng, Yen-Fen

March 17, 2021

#### **Audit Committee Report**

#### **Re: General Shareholders Meeting 2021**

The Board of Directors has submitted the Company's 2020 annual business report, financial report and profit distribution proposal, among which the financial report has been entrusted to the certified public accountants of Deloitte Touche Tohmatsu Limited Taiwan for auditing to generate an audit report. The audit committee has verified the above-mentioned business report, financial report and profit distribution proposal. No discrepancy is found and the committee hereby presents the report in accordance with Article 14 of the "Securities and Exchange Act" and Article 219 of the "Company Act" for your approval.

孝泳蘭 LEE, SHU-LAN

Convener of the Audit Committee Founding Construction Development Corp.

## Comparison Table for the Amendments to the Codes of Ethical Conduct for the Board of Directors and Managers

After Amendment	Before Amendment	Explanation
Article 1 For the purpose of <u>encouraging</u> directors and managerial officers of the company (including <u>general managers</u> or their equivalents, assistant <u>general</u> <u>managers or their equivalents, deputy</u> <u>assistant general managers or their</u> <u>equivalents, chief financial and chief</u> <u>accounting officers, and other persons</u> <u>authorized to manage affairs and sign</u> <u>documents on behalf of a company) to</u> <u>act in line with ethical standards</u> , and helping interested parties better understand the ethical standards of the company, the code of ethical conduct is established <u>for aforesaid persons to</u>	Article 1 For the purpose of <u>promoting</u> integrity and ethical behavior of directors and managerial officers and <u>enhancing</u> <u>corporate governance</u> , the code of ethical conduct is established.	Amended in accordance with the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies"
comply.Article 2Content of the code1. Prevention of conflicts of interest:Conflicts of interest occur whenpersonal interest intervenes or is likelyto intervene in the overall interest ofthe company, as for example when adirector, or managerial officer of thecompany is unable to perform theirduties in an objective and efficientmanner, or when a person in such aposition takes advantage of theirposition in the company to obtainimproper benefits for either themselvesor their spouse or relatives within thesecond degree of kinship. Thecompany shall pay special attention toloans of funds, provisions ofguarantees, and major assettransactions or the purchase (or sale)of goods involving the affiliatedenterprise at which a director, ormanagerial officer works.2. Minimizing incentives to pursuepersonal gain:The company shall prevent itsdirectors, or managerial officers fromengaging in any of the followingactivities: (1) Seeking an opportunity	Article 2 No code or policy can anticipate every situation that may arise. Accordingly, this Code is intended to serve as a source of guiding principles. For questions about particular circumstances that may involve one or more of the provisions of this Code, the Company should encourage directors and officers bring any such questions to the Chairman of the Company, who may consult with inside or outside legal counsel as appropriate.	Combination of articles (from article 2 to article 9)

## Attachment III

to pursue personal gain by using	
company property or information or	
taking advantage of their positions. (2)	
Obtaining personal gain by using	
company property or information or	
taking advantage of their positions. (3)	
Competing with the company. When	
the company has an opportunity for	
profit, it is the responsibility of the	
directors, and managerial officers to	
maximize the reasonable and proper	
benefits that can be obtained by the	
company.	
3. Confidentiality:	
The directors, and managerial officers	
of the company shall be bound by the	
obligation to maintain the	
confidentiality of any information	
regarding the company itself or its	
suppliers and customers, except when	
authorized or required by law to	
disclose such information.	
Confidential information includes any	
undisclosed information that, if	
exploited by a competitor or disclosed,	
could result in damage to the company	
or the suppliers and customers.	
<u>4. Fair trade:</u>	
Directors and managerial officers shall	
treat all suppliers and customers,	
competitors, and employees fairly, and	
may not obtain improper benefits	
through manipulation, nondisclosure,	
or misuse of the information learned	
by virtue of their positions, or through	
misrepresentation of important	
matters, or through other unfair trading	
practices.	
5. Safeguarding and proper use of	
company assets:	
All directors, and managerial officers	
have the responsibility to safeguard	
company assets and to ensure that they	
can be effectively and lawfully used	
for official business purposes; any	
the agents will all directly impact the	
the assets will all directly impact the	
company's profitability.	
6. Legal compliance:	
<u>The company shall strengthen its</u>	
compliance with the Securities and	
Exchange Act and other applicable	

Attachment III

laws, regulations, and bylaws.		
7 Encouraging reporting on illegal or		
unethical activities:		
The company shall raise awareness of		
ethics internally and encourage		
employees to report to the company in		
accordance with the whistle-blowing		
system, upon suspicion or discovery of		
any activity in violation of a law or		
regulation or the code of ethical		
conduct.		
8. Disciplinary measures:		
When a director, or managerial officer		
violates the code of ethical conduct,		
the company shall handle the matter in		
accordance with the disciplinary		
measures prescribed in the code, and		
shall without delay disclose on the		
Market Observation Post System		
(MOPS) the date of the violation by		
the violator, reasons for the violation,		
the provisions of the code violated,		
and the disciplinary actions taken. It is		
advisable that the company establish a		
relevant complaint system to provide		
the violator with remedies.		
	Article 3	Original article is
	Conflict of Interest	un anna al reviela ela a
		merged with the
	Directors and officers and must ethically	ę
		ę
	Directors and officers and must ethically	ę
	Directors and officers and must ethically handle actual or apparent conflicts of	ę
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	Directors and officers and must ethically handle actual or apparent conflicts of interest between themselves and the Company. Any situation that involves a conflict of interest with the Company, such as loans of funds, major asset	ę
	Directors and officers and must ethically handle actual or apparent conflicts of interest between themselves and the Company. Any situation that involves a conflict of interest with the Company, such as loans of funds, major asset transactions, or the purchase (or sale) of	ę
	Directors and officers and must ethically handle actual or apparent conflicts of interest between themselves and the Company. Any situation that involves a conflict of interest with the Company, such as loans of funds, major asset transactions, or the purchase (or sale) of goods, and provisions of guarantees	ę
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conflicts from which directors and	
officers must refrain, however, are set	
forth below.	
1. Improper conduct and	
activities. Directors and officers may not	
engage in any conduct or activity that is	
inconsistent with the Company's	
interests or that disrupts or impairs the	
Company's relationship with any person	
or entity with which the Company has or	
proposes to enter into a business or	
contractual relationship.	
2. Compensation from non-Company	
sources. Directors and officers may not	
accept compensation (in any form) for	
services performed for the Company	
from any source other than the	
<u>Company.</u> <u>3</u> <i>Citts</i> Directors and officers and	
<u>3. Gifts. Directors and officers and</u>	
members of their immediate families	
may not accept gifts from persons or	
entities where any such gift is being	
made in order to influence their actions	
in their position with the Company, or	
where acceptance of the gift could create	
the appearance of a conflict of interest.	
4. Personal use of Company	
assets. Directors and officers may not	
use Company assets, labor or	
information for personal use, other than	
incidental personal use, unless such use	
is either (i) part of a compensation or	
expense reimbursement program, or (ii)	
approved by an authorized person.	
Article 4	Original article is
Corporate Opportunities	merged with the
Directors and officers are prohibited	second article.
from: (a) taking for themselves	
personally opportunities related to the	
Company's business; (b) using the	
Company's property, information, or	
position for personal gain; or (c)	
competing with the Company for	
business opportunities.	
Article 5	Original article is
Confidentiality	merged with the
Directors and officers shall protect and	second article.
effectively use the Company's property	
for corporate benefits. The said property	
includes tangible and intangible assets,	
such as confidential information about	
the Company. Directors and officers	
ine company. Directors and officers	

	1
shall maintain the confidentiality of	
information entrusted to them by the	
Company and any other confidential	
information about the Company and	
other corporations, that comes to them,	
from whatever source, except when	
disclosure is authorized or legally	
mandated. For purposes of this Code,	
"confidential information" includes all	
non-public information relating to the	
Company, its business, customers or	
· · · · · · · · · · · · · · · · ·	
suppliers.	
Article 6	Original article is
Compliance with Laws, Rules and	merged with the
Regulations: Fair Trade	second article.
Directors and officers shall comply with	
all laws, rules and regulations applicable	
to the Company, including insider	
trading laws, and policies and	
procedures set up by the Company.	
Directors and officers shall endeavor to	
deal fairly with the Company's	
customers, suppliers, competitors and	
employees. Any director or officer shall	
not obtain improper benefits from	
anyone through manipulation,	
nondisclosure, or misuse of the	
information learned by virtue of their	
positions, or through misrepresentation	
of important matters, or through other	
unfair trading practices.	
Article 7	Original article is
Accuracy of Records and other Public	merged with the
information	second article.
It is of critical importance that all of the	
Company's account books, financial and	
records fully, fairly, accurately and	
timely reflect the transactions	
documented. All the directors and	
mangers relevant to the disclosure	
procedure of the Company's	
information, within their scope of	
responsibility, shall know and	
understand the applicable regulations of	
· · · · ·	
disclosure, and ensure that the	
documents the Company declares and	
those offered to Financial Supervisory	
Commission, R.O.C, and information	
disclosed to the general public, shall be	
recorded and presented in a full, fair,	
accurate, timely and understandable	
manner. Every person involving in	
manner. Every person involving in	

making financial reports of the	
Company shall follow internal	
accounting principles of the Company	
and other important accounting	
standards to truly, fairly and fully reflect	
business transactions and financial status	
of the Company. These principles are	
incorporated into the GAAP of R.O.C	
and internal accounting system of the	
Company governed by relevant laws,	
rules and regulations.	
Article 8	Original article is
Encouraging Reporting Illegal or	merged with the
Unethical Behavior.	second article.
Directors should endeavor to cause the	
Company to proactively promote ethical	
behavior by taking the following	
measures:	
1. To encourage employees to discuss	
questions about the best actions taken	
under particular circumstances with	
directors, officers or other appropriate	
Company personnel.	
2. To encourage employees to report any	
actual or suspected violations of laws,	
rules, regulations or this Code to other	
appropriate Company personnel;	
3. To inform employees that the	
Company is prohibited from taking	
retaliatory actions on reporters with	
bona-fide intent.	
Article 9	Original article is
Compliance Procedure	merged with the
Any suspected violations of this Code	second article.
shall be reported to managers, internal	
auditors, the Audit Committee or other	
appropriate personnel. Managers who	
violate the Code shall be handled in	
accordance with the Procedure, Code of	
Business and Ethical Conduct.	
Such suspected violations shall be	
investigated by the Board of Directors or	
their appointment(s). Exemptions of this	
code must be approved by the Board of	
Directors. Relevant matters, including	
the name and the position of the	
exemptee, the date on which the board	
of directors adopted the resolution for	
exemption, and the period of, reasons	
for, and principles behind the	
application of the exemption, must be	
disclosed without delay to the	

	shareholders of the Company and those	
	specified in MOPS rules. Any requests	
	for exemption or review must be	
	submitted to the Directors of the	
	Company.	
<u>Article 3</u>	Article 10	
Procedures for exemption	Implementation of the Code	
The code of ethical conduct adopted	The board of directors shall determine	
by a company must require that any	adequate actions for any conducts	
exemption for directors, or managerial	against the Code. Such actions shall be	
officers from compliance with the code	legitimately designed to deter the	
be adopted by a resolution of the board	violators and promote a sense of duty of	
of directors, and that information on	code compliance.	
the date on which the board of	The board of directors shall consider all	
directors adopted the resolution for	of the following situations when taking	
exemption, objections or reservations	adequate actions under certain	
of independent directors, and the	circumstances, including the types and	
period of, reasons for, and principles	severity of violation, whether violations	
behind the application of the	are deliberate or negligent, and whether	
exemption be disclosed without delay	anyone expostulates the violator prior to	
on the MOPS, in order that the	the violation.	
shareholders may evaluate the		
appropriateness of the board resolution		
to forestall any arbitrary or dubious		
exemption from the code, and to		
safeguard the interests of the company		
by ensuring appropriate mechanisms		
for controlling any circumstance under		
which such an exemption occurs.		
		A 11:4: C
Article 4		Addition of new
Method of disclosure		article
The code of ethical conduct that the		
company has adopted, and any		
amendments hereto, shall be disclosed		
on the company website, in its annual		
reports and prospectuses and on the		
MOPS.		
Article 5	Article 11	
The code of ethical conduct of the	The code of ethical conduct of the	
company, and any amendments hereto,	company and any amendments hereto,	
	shall be implemented after approval of	
the board of directors, <u>delivered to the</u>	the board of directors.	
audit committee and submitted to the		
shareholder's meeting.		





勤業眾信聯合會計師事務所 11073 台北市信義區松仁路100號20樓

Deloitte & Touche 20F, Taipei Nan Shan Plaza No. 100, Songren Rd., Xinyi Dist., Taipei 11073, Taiwan

Tel :+886 (2) 2725-9988 Fax:+886 (2) 4051-6888 www.deloitte.com.tw

#### **Independent Auditors' Report**

To: Founding Construction Development Corp.

#### Audit opinion

We have audited the accompanying consolidated financial statements of Founding Construction Development Corp. and its subsidiaries (the "Founding Group"), which comprise the consolidated balance sheets as of December 31, 2020 and 2019, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the aforementioned consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Founding Group as of December 31, 2020 and 2019, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

#### **Basis for Opinion**

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and generally accepted auditing standards in the Republic of China. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Founding Group in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Founding Group's consolidated financial statements for the year ended December 31, 2020. These matters were addressed in the context of our audit of the consolidated financial

statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters for the Founding Group's consolidated financial statements for the year ended December 31, 2020 are stated as follows:

#### Key Audit Matters I

The Founding Group's assets are mainly composed of lands, properties, and buildings from the inventory, the investment property, and the property, plant and equipment with the carrying amounts of NT\$8,434,322 thousand (excluding the food and beverage inventory of NT\$3,137 thousand), NT\$422,905 thousand, and NT\$4,263,229 thousand, respectively, representing 94% of the total assets as of December 31, 2020. The inventories are buildings and land held for sale and construction in progress, while the investment properties are properties for rent and properties held by the Group. Because the situations of the domestic real estate market supply, natural disasters, government policies, and economic conditions significantly impact the values of properties, the assessment of the properties inevitably contains uncertainty, and so the risk of individual assets being improperly evaluated exists. Therefore, the subsequent valuation of the assets has been deemed as one of the key audit matters for the year. Please refer to Notes 4(6), (7), (8), (9), 5, 10, 14, and 16 of the financial statements for relevant information on the inventory, the investment property, and the property, plant and equipment.

The main audit procedures performed on the specific levels in respect of the above-mentioned key audit matter for the audit of the year are as follows:

- 1. We test the samples and review the appraisal materials performed by the external experts in the most recent two years (related appraisal reports, etc.), and we understand the trends of the development in the domestic real estate market to identify any potential indication of impairment in lands, properties, and buildings from the inventory, the investment property, and the property, plant and equipment.
- 2. Management evaluates asset impairments based on the information finished by experts; therefore, we evaluate the independence and the adequacy of the experts and we understand whether or not the assumptions and measures adopted during evaluations of the external experts are reasonable.
- 3. We evaluate the recoverable amounts of the lands, properties, and buildings from the inventory, the investment property, and the property, plant and equipment, and the reasonableness thereof, including whether the applied net fair values are based on the current bid prices or the latest transaction prices less sale costs, or we evaluate the reasonability of each important assumption of the value-in-use.

#### Key Audit Matters II

The sales of real estate are recognized after the construction projects were actually completed and handed over, and the registration of property right was finished. The appropriateness of the timing of the sales

revenue recognition is material to the consolidated financial statements for the year. The sales of real estate recognized with uncompleted handover and registration of property right are expected to exist; therefore, the timing of the sales revenue recognition has been deemed as one of the key audit matters for the year. Please refer to Note 4 (12) of the financial statements for relevant information on the sales revenues.

The main audit procedures performed on the specific levels in respect of the above-mentioned key audit matter for the audit of the year are as follows:

- 1. We evaluate the designs of the relevant operating procedures for sales revenue recognition and the appropriateness of execution, and we select samples to test the situation of effectively ongoing operations during the year of its significant control operations.
- 2. For the details of the recognized real estate sales revenue for the year, we select samples and examine their corresponding evidences of the real estate handover and the registration of property right to verify the appropriateness of the classification under real estate sales revenue.

#### **Other Matters**

We have also audited the parent company only financial statements of Founding Construction Development Corp. as of and for the years ended December 31, 2020 and 2019 on which we have issued an unqualified opinion for your reference.

## Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the IFRS, IAS, IFRIC, and SIC endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Founding Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Founding Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance (including members of the Audit Committee) are responsible for overseeing the Founding Group's financial reporting process.

#### Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the generally accepted auditing standards in the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the generally accepted auditing standards in the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- 1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- 2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Founding Group's internal control.
- 3. Evaluate the appropriateness of accounting policies adopted and the reasonableness of accounting estimates and related disclosures made by management.
- 4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Founding Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or modify our opinion if such disclosures are inadequate. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Founding Group to cease to continue as a going concern.
- 5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- 6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Founding Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our opinion to the Founding Group.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Founding Group's consolidated financial statements for the year ended December 31, 2020 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Deloitte & Touche LU I-CHEN, CPA Deloitte & Touche LIN YI-HUI, CPA

Financial Supervisory Commission Approval Document Ref. No. FSC Sheng-Zi 1080321204 Financial Supervisory Commission Approval Document Ref. No. FSC Sixth-Zi 0940161384

March 17, 2021

#### Attachment IV Founding Construction Development Corp. and Subsidiaries

#### Consolidated Balance Sheets December 31, 2020 and 2019 Unit: NT\$ thousands

		December 31,	2020	December 31, 2019		
Code	ASSETS	Amount	%	Amount	%	
	CURRENT ASSETS					
1100	Cash and cash equivalents (Note 6)	\$ 519,169	4	\$ 450,008	3	
1110	Financial assets at fair value through profit or loss - current (Notes 7 and 30)	2,856	-	2,419	-	
1170	Accounts receivable (Notes 9 and 24)	68,585	-	40,372	-	
1220	Current tax assets (Note 26)	304	-	254	-	
130X	Inventories (Notes 5, 10 and 32)	8,437,459	60	9,288,856	62	
1410	Prepayments (Note 12)	80,017	1	105,382	1	
1476	Other financial assets - current (Notes 13 and 32)	121,831	1	101,137	1	
1479	Other current assets	6,852		8,849	67	
11XX	Total current assets	9,237,073	66	9,997,277	67	
	NON-CURRENT ASSETS					
1517	Financial assets at fair value through other comprehensive income -					
	non-current (Notes 8 and 30)	10,032	-	10,032	-	
1600	Property, plant and equipment (Notes 5, 14 and 32)	4,272,840	31	4,342,651	29	
1755	Right-of-use assets (Note 15)	10,455	-	13,590	-	
1760	Investment properties, net (Notes 5, 16 and 32)	422,905	3	580,281	4	
1801	Computer software, net	1,149	-	1,194	-	
1840	Deferred tax assets (Note 26)	10,386	-	12,392	-	
1920	Refundable deposits	17,178	-	22,344	-	
1990	Other non-current assets - others			3,330		
15XX	Total non-current assets	4,744,945	34	4,985,814	33	
1XXX	Total assets	<u>\$13,982,018</u>	100	<u>\$14,983,091</u>	_100	
Code	LIABILITIES AND EQUITY					
	CURRENT LIABILITIES					
2100	Short-term borrowings (Notes 17 and 32)	\$ 2,628,410	19	\$ 3,314,460	22	
2110	Short-term bills payable (Notes 17 and 32)	845,910	6	531,339	4	
2130	Contract liabilities - current (Notes 10 and 24)	315,817	2	616,519	4	
2150	Notes payable (Note 18)	46,706	-	47,706	-	
2170	Accounts payable (Note 18)	185,588	1	201,550	1	
2219	Other payable (Note 19)	111,474	1	104,563	1	
2230	Current tax liabilities (Note 26)	4,522	-	6,004	-	
2250	Provisions - current (Note 20)	2,977	-	2,977	-	
2280	Lease liabilities - current (Note 15)	2,854	-	2,909	-	
2320	Current portion of long-term borrowings (Notes 17 and 32)	212,499	2	546,875	4	
2399	Other current liabilities (Note 19)	50,625	1	43,949	-	
21XX	Total current liabilities	4,407,382	32	5,418,851	36	
	NON-CURRENT LIABILITIES					
2540	Long-term borrowings (Notes 17 and 32)	2,114,795	15	2,199,271	15	
2580	Lease liabilities - non-current (Note 15)	7,760	-	10,614	-	
2640	Net defined benefit liabilities (Note 21)	12,318	-	15,633	-	
2645	Guarantee deposits	1,424	-	2,315	-	
25XX	Total non-current liabilities	2,136,297	15	2,227,833		
2XXX	Total liabilities	6,543,679	47	7,646,684	51	
	EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Note 23)					
	Capital stock					
3110	Ordinary shares	2,852,450	20	2,852,450	19	
	Capital surplus					
3210	Shares premium	20,894	-	20,894	-	
3220	Treasury shares transactions	236	-	236	-	
3200	Total capital surplus	21,130		21,130		
	Retained earnings					
2210	Lagal recerva	048 358	7	038 025	6	

3310	Legal reserve	948,358	7	938,925	6
3320	Special reserve	966	_	966	-
3350	Unappropriated earnings	3,615,435	26	3,522,936	24
3300	Total retained earnings	4,564,759	33	4,462,827	30
31XX	Total equity attributable to owners of the company	7,438,339	53	7,336,407	49
3XXX	Total equity	7,438,339	53	7,336,407	49
	Total liabilities and equity	<u>\$13,982,018</u>	_100	<u>\$14,983,091</u>	_100

The accompanying notes are an integral part of the consolidated financial statements.

Chairman: Liu Hsin-Hsiung

Manager: Liu Hua-Hsing

Accounting Officer: Cheng Yen-Fen

#### Attachment IV Founding Construction Development Corp. and Subsidiaries

#### Consolidated Statements of Comprehensive Income For the years ended December 31, 2020 and 2019 Unit: NTD thousands, except for earnings per share (in NTD)

		2020		2019	
Code		Amount	%	Amount	%
	OPERATING REVENUE				
	(Notes 4, 24, 31 and 36)				
4300	Rental revenue	\$ 8,881	-	\$ 12,651	1
4410	Hospitality service				
	revenue	338,929	9	608,548	37
4500	Construction revenue	3,487,088	91	1,010,343	62
4000	Total operating revenue	3,834,898	100	1,631,542	_100
	OPERATING COSTS (Notes				
	4, 10 and 25)				
5300	Rental costs	( 6,340)	-	( 5,304)	( 1)
5410	Hospitality service cost	( 317,808)	( 8)	( 425,500)	(26)
5500	Construction costs	(	( <u>76</u> )	( <u>721,695</u> )	( <u>44</u> )
5000	Total operating costs	( <u>3,234,290</u> )	( <u>84</u> )	(1,152,499)	( <u>71</u> )
5900	Gross Profit	600,608	16	479,043	29
6000	OPERATING EXPENSES				
	(Note 25)	( <u>287,190</u> )	( <u>8</u> )	( <u>308,782</u> )	( <u>19</u> )
6900	Net Operating Income	313,418	8	170,261	10
	NON-OPERATING INCOME				
	AND EXPENSES (Note 25)				
7100	Interest income	217	-	310	-
7010	Other income	16,378	-	2,483	-
7020	Other gains and losses	( 15,547)	-	9,729	1
7050	Finance costs	(41,611)	$(\underline{1})$	( <u>67,635</u> )	( <u>4</u> )
7000	Total non-operating				
	income and expenses	(40,563)	()	(55,113)	( <u>3</u> )

(Continued on the next page)

Attachment IV (Continued from the previous page)

		2020			2019		
Code		1	Amount	%		Amount	%
7900	Net income before tax	\$	272,855	7	\$	115,148	7
7950	Income tax expense (Notes 4 and 26)	(	30,097)	(	) (	20,810)	( <u>1</u> )
8200	NET PROFIT/(LOSS) FOR THE YEAR		242,758	6		94,338	6
	OTHER COMPREHENSIVE INCOME (LOSS) (Notes 21 and 26)						
8310	Items that will not be reclassified subsequently to profit or loss						
8311	Remeasurement of defined benefit plans		2,246	_		862	_
8349	Income tax relating to items that will not be reclassified subsequently to		2,210			002	
8300	profit or loss Other	(	449)		(	173)	
	comprehensive income for the year, net of income tax		1,797			689	
8500	TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$</u>	244,555	6	<u>\$</u>	95,027	<u>6</u>
9710 9810	EARNINGS PER SHARE (Note 27) From continuing operations Basic Diluted	<u>\$</u>	<u> </u>		<u>\$</u> \$	<u> </u>	

The accompanying notes are an integral part of the consolidated financial statements.

Chairman: Liu Hsin-Hsiung

Manager: Liu Hua-Hsing

Accounting Officer: Cheng Yen-Fen

### Attachment IV Founding Construction Development Corp. and Subsidiaries

# Consolidated Statements of Changes in Equity For the years ended December 31, 2020 and 2019 Unit: NT\$ thousands

		EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY					
	-	Share	capital	Capital surplus			Retained earnings
	-	Shares (In	•	<b>*</b>	Treasury shares		<u> </u>
Code		Thousands)	Ordinary share	Shares premium	transactions	Legal reserve	Special reserve
A1	Balance as of January 1, 2019	285,245	\$ 2,852,450	\$ 20,894	\$ 236	\$ 915,510	\$ 966
	Appropriation and distribution of retained earnings for 2018						
B1	Legal reserve	-	-	-	-	23,415	-
B5	Cash dividends to shareholders	-	-	-	-	-	-
D1	Consolidated net income for 2019	-	-	-	-	-	-
D3	AFTER-TAX OTHER COMPREHENSIVE INCOME for 2019	<u>-</u>	<u>-</u> _	<u>-</u>		<u>-</u>	
D5	Total comprehensive income in 2019		<u>-</u>		<u>-</u>		<u>-</u>
Z1	Balance, December 31, 2019	285,245	2,852,450	20,894	236	938,925	966
B1 B5	Appropriation of earnings for 2019 Legal reserve Cash dividends to shareholders	-	- -	-	-	9,433	-
D1	Net income for 2020	-	-	-	-	-	-
D3	AFTER-TAX OTHER COMPREHENSIVE INCOME for 2020	<u>-</u> _	<u>-</u> _		<u>-</u>		<u>-</u>
D5	Total comprehensive income in 2020	<u>-</u>	<u>-</u> _	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Z1	Balance as of December 31, 2020	285,245	<u>\$2,852,450</u>	<u>\$ 20,894</u>	<u>\$ 236</u>	<u>\$ 948,358</u>	<u>\$ 966</u>

The accompanying notes are an integral part of the consolidated financial statements.

Chairman: Liu Hsin-Hsiung

Manager: Liu Hua-Hsing

Unappropriated earnings \$ 3,650,996			
( 23,415) ( 199,672) 94,338	( 199,672) 94,338		
689	689		
<u>95,027</u> 3,522,936	<u>    95,027</u> 7,336,407		
( 9,433) ( 142,623) 242,758	( 142,623) 242,758		
1,797	1,797		
<u>244,555</u> <u>\$ 3,615,435</u>	<u>244,555</u> <u>\$ 7,438,339</u>		

Accounting Officer: Cheng Yen-Fen

#### Founding Construction Development Corp. and Subsidiaries

#### Consolidated Statements of Cash Flows For the years ended December 31, 2020 and 2019 Unit: NTD thousands

~ 1					
Code			2020		2019
	CASH FLOWS FROM OPERATING ACTIVITIES	÷		÷	
A10000	Income before income tax for the year	\$	272,855	\$	115,148
A20010	Adjustments for:				
A20100	Depreciation expenses		88,486		88,349
A20200	Amortization expenses		595		933
A20400	Net gain on fair value changes of financial assets and liabilities at				
	fair value through profit or loss	(	436)	(	9,756)
A20900	Finance costs	(	41,611	(	67,635
A21200	Interest income	(	217)	(	310)
A21300	Dividend income	$\tilde{c}$	163)		1,491)
A22500	Gain (loss) on disposal of property,	(	100)	(	1,171)
1122000	plant and equipment	(	286)		5
A23100	Net gain on disposal of financial assets	$\mathbf{i}$	392)	(	1,497)
A23700	Loss on write-downs of inventories	(	13,959	(	-
A30000	Changes in operating assets and liabilities		;		
A31130	Notes receivable		-		29,217
A31150	Accounts receivable	(	28,213)		8,697
A31200	Inventories		991,257	(	340,283)
A31230	Prepayments		33,658		84,786
A31240	Other current assets		1,997	(	2,254)
A31250	Other financial assets	(	20,694)	Ì	68,158)
A32125	Contract liabilities – current	Ì	300,702)		179,700
A32130	Notes payable	Ì	1,000)		13,273
A32150	Accounts payable	Ì	15,962)	(	8,942)
A32180	Other payable	× •	9,713		776
A32230	Other current liabilities		6,676	(	17,177)
A32240	Net defined benefit liabilities -		,		, ,
	non-current	(	1,069)		75
A33000	Cash generated from/(used in) operations	`	1,091,673		138,726
A33500	Income taxes paid	(	30,072)	(_	34,891)
AAAA	Net cash generated from operating	`		`	,
	activities		1,061,601		103,835

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#### (Continued from the previous page)

Code		2020	2019	
	CASH FLOWS FROM INVESTING ACTIVITIES			
B00100	Acquisition of financial assets at fair			
	value through profit or loss	(\$ 10,068)	(\$ 5,045)	
B00200	Disposal of financial assets at fair			
	value through profit or loss	10,459	77,237	
B02700	Acquisitions of property, plant and			
	equipment	( 5,600)	( 10,963)	
B02800	Proceeds from disposal of property,			
	plant and equipment	286	-	
B03700	Decrease (Increase) in refundable			
	deposits	5,124	( 5,925)	
B04500	Acquisition of intangible assets	( 550)	( 151)	
B05400	Acquisition of investment properties	( 11,076)	( 115,808)	
B06700	Increase in other non-current assets	-	( 3,220)	
B07500	Interest received	217	310	
B07600	Dividends received from others	163	1,491	
BBBB	Net cash used in investing activities	( <u>11,045</u> )	( <u>62,074</u> )	
	CASH FLOWS FROM FINANCING ACTIVITIES			
C00100	Increase in short-term borrowings	1,044,860	879,516	
C00100 C00200	Decrease in short-term borrowings	(1,730,910)	( 629,277)	
C00200 C00500	Increase in short-term notes and bills	(1,750,710)	(02),277)	
000000	payable	314,571	431,449	
C01600	Proceeds from long-term borrowings	227,000	-	
C01700	Repayments of long-term borrowings	( 645,852)	( 498,196)	
C03000	Increase (Decrease) in guarantee	( 0.0,002)	( 190,190)	
000000	deposits received	( 891)	268	
C04020	Payments of lease liabilities	( 2,909)	( 3,188)	
C04500	Dividends distributed to owners of the			
	Company	( 142,623)	( 199,672)	
C05600	Interest paid	(44,641)	(68,107)	
CCCC	Net cash used in financing activities	(981,395)	(	
EEEE	NET INCREASE (DECREASE) IN CASH			
LLLL	AND CASH EQUIVALENTS FOR THE			
	YEAR	69,161	( 45,446)	
E00100	CASH AND CASH EQUIVALENTS,			
	BEGINNING OF YÈAR	450,008	495,454	
E00200	CASH AND CASH EQUIVALENTS, END OF			
100200	YEAR	<u>\$ 519,169</u>	<u>\$ 450,008</u>	

The accompanying notes are an integral part of the consolidated financial statements.

Chairman: Liu Hsin-Hsiung

Manager: Liu Hua-Hsing

Accounting Officer: Cheng Yen-Fen





勤業眾信聯合會計師事務所 11073 台北市信義區松仁路100號20樓

Deloitte & Touche 20F, Taipei Nan Shan Plaza No. 100, Songren Rd., Xinyi Dist., Taipei 11073, Taiwan

Tel :+886 (2) 2725-9988 Fax:+886 (2) 4051-6888 www.deloitte.com.tw

#### **Independent Auditors' Report**

To: Founding Construction Development Corp.

#### **Audit Opinion**

We have audited the accompanying parent company only financial statements of Founding Construction Development Corp., which comprise the parent company only balance sheets as of December 31, 2020 and 2019, and the parent company only statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the parent company only financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying parent company only financial statements present fairly, in all material respects, the accompanying parent company only financial position of Founding Construction Development Corp. as of December 31, 2020 and 2019, and its parent company only financial performance and its parent company only cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

#### **Basis for Opinion**

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and the generally accepted auditing standards in the Republic of China. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Parent Company Only Financial Statements section of our report. We are independent of Founding Construction Development Corp. in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Key Audit Matters**

Key audit matters are those that, in our professional judgment, were of most significance in our audit of Founding Construction Development Corp.'s parent company only financial statements for the year ended December 31, 2020. These matters were addressed in the context of our audit of the parent company only financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters for Founding Construction Development Corp.'s parent company only financial statements for the year ended December 31, 2020 are stated as follows:

#### Key Audit Matters I

The Company's assets are mainly composed of lands, properties, and buildings from the inventory, the investment property, and the property, plant and equipment with the carrying amounts of NT\$8,376,286 thousand, NT\$4,479,825 thousand, and NT\$97,476 thousand, respectively, representing 95% of the total assets as of December 31, 2020. The inventories are buildings and land held for sale and construction in progress, while the investment properties are properties for rent and properties held by the Company. Because the situations of the domestic real estate market supply, natural disasters, government policies, and economic conditions significantly impact the values of properties, the assessment of the properties inevitably contains uncertainty, and so the risk of individual assets being improperly evaluated exists. Therefore, the subsequent valuation of the assets has been deemed as one of the key audit matters for the year. Please refer to Notes 4(4), (6), (7), (8), 5, 8, 11, and 13 of the financial statements for relevant information on the above-mentioned assets.

The main audit procedures performed on the specific levels in respect of the above-mentioned key audit matter for the audit of the year are as follows:

- 1. We test the samples and review the appraisal materials performed by the external experts in the most recent two years (related appraisal reports, etc.), and we understand the trends of the development in the domestic real estate market to identify any potential indication of impairment in lands, properties, and buildings from the inventory, the investment property, and the property, plant and equipment.
- 2. Management evaluates asset impairments based on the information finished by experts; therefore, we evaluate the independence and the adequacy of the experts and we understand whether or not the assumptions and measures adopted during evaluations of the external experts are reasonable.
- 3. We evaluate the recoverable amounts of the lands, properties, and buildings from the inventory, the investment property, and the property, plant and equipment, and the reasonableness thereof, including whether the applied net fair values are based on the current bid prices or the latest transaction prices less sale costs, or we evaluate the reasonability of each important assumption of the value-in-use.

#### Key Audit Matters II

The sales of real estate are recognized after the construction projects were actually completed and handed over, and the registration of property right was finished. The appropriateness of the timing of the sales revenue recognition is material to the consolidated financial statements for the year. The sales of real estate recognized with uncompleted handover and registration of property right are expected to exist; therefore, the timing of the sales revenue recognition has been deemed as one of the key audit matters for the year. Please refer to Note 4(11) of the financial statements for relevant information on the sales revenues.

The main audit procedures performed on the specific levels in respect of the above-mentioned key audit matter for the audit of the year are as follows:

- 1. We evaluate the designs of the relevant operating procedures for sales revenue recognition and the appropriateness of execution. We also select samples to test the situation of effectively ongoing operations during the year of its significant control operations.
- 2. For the details of the recognized real estate sales revenue for the year, we select samples and examine their corresponding evidences of the real estate handover and the registration of property right to verify the appropriateness of the classification under real estate sales revenue.

### Responsibilities of Management and Those Charged with Governance for the Parent Company Only Financial Statements

Management is responsible for the preparation and fair presentation of the parent company only financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, as well as International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission, and for such internal control as management determines is necessary to enable the preparation of parent company only financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the parent company only financial statements, management is responsible for assessing Founding Construction Development Corp.'s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate Founding Construction Development Corp. or to cease operations, or has no realistic alternative but to do so.

Those charged with governance (including members of the Audit Committee) are responsible for overseeing Founding Construction Development Corp.'s financial reporting process.

#### Auditors' Responsibilities for the Audit of the Parent Company Only Financial Statements

Our objectives are to obtain reasonable assurance about whether the parent company only financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the generally accepted auditing standards in the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these parent company only financial statements.

As part of an audit in accordance with the generally accepted auditing standards in the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- 1. Identify and assess the risks of material misstatement of the parent company only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- 2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Founding Construction Development Corp.'s internal control.
- 3. Evaluate the appropriateness of accounting policies adopted and the reasonableness of accounting estimates and related disclosures made by management.
- 4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on Founding Construction Development Corp.'s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the parent company only financial statements or modify our opinion if such disclosures are inadequate. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause Founding Construction Development Corp. to cease to continue as a going concern.
- 5. Evaluate the overall presentation, structure and content of the parent company only financial statements, including the disclosures, and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- 6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within Founding Construction Development Corp. to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our opinion to Founding Construction Development Corp.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of Founding Construction Development Corp.'s parent company only financial statements for the year ended December 31, 2020 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Deloitte & Touche LU I-CHEN, CPA Deloitte & Touche LIN YI-HUI, CPA

Financial Supervisory Commission Approval Document Ref. No. FSC Sheng-Zi 1080321204 Financial Supervisory Commission Approval Document Ref. No. FSC Sixth-Zi 0940161384

March 17, 2021

#### Attachment IV Founding Construction Development Corp.

## Parent Company Only Balance Sheet December 31, 2020 and 2019 Unit: NTD thousands

		December 31, 2020		December 31, 2019	
Code	ASSETS	Amount	%	Amount	%
	CURRENT ASSETS				
$\begin{array}{c} 1100\\ 1110 \end{array}$	Cash and cash equivalents (Note 6) Financial assets at fair value through profit or loss - current	\$ 292,132	2	\$ 172,619	1
1110	(Notes 7 and 27)	2,856	-	2,419	-
1170	Account receivables (Note 21)	18,741	-	23,996	-
1197	Finance lease receivables (Note 28)	624	-	686	-
1220 130X	Current tax assets (Note 23)	304 8 276 286	- 61	254	- 63
130X 1410	Inventories (Note 5, 8 and 29) Prepayments (Note 9)	8,376,286 50,331	1	9,276,385 83,587	1
1476	Other financial assets - current (Note 29)	106,794	1	85,898	1
1479	Other current assets	6,586		8,034	
11XX	Total current assets	8,854,654	65	9,653,878	66
	NON-CURRENT ASSETS				
1550	Investments accounted for using the equity method (Note 10)	228,041	1	247,685	2
1600	Property, plant and equipment (Notes 11 and 29)	97,885	I	98,120	-
1755 1760	Right-of-use assets (Note 12) Investment properties, net (Notes 13 and 29)	2,309 4,479,825	33	3,313 4,676,022	32
1801	Computer software, net	-	-	64	-
1840	Deferred tax assets (Note 23)	10,247	-	7,751	-
194D	Long-term finance lease receivables, net (Note 28)	2,466	-	3,015	-
1920 15VV	Refundable deposits	14,358		21,025	$\frac{-}{24}$
15XX	Total non-current assets	4,835,131	35	5,056,995	34
1XXX	Total assets	<u>\$13,689,785</u>	100	<u>\$14,710,873</u>	100
Code	LIABILITIES AND EQUITY				
2100	CURRENT LIABILITIES	¢ 2,572,010	10	¢ 2 2 2 0 ( ( 0	22
2100 2110	Short-term borrowings (Notes 14 and 29) Short-term bills payable (Note 14)	\$ 2,573,910 845,910	19 6	\$ 3,239,660 531,339	22 4
2130	Contract liabilities - current (Note 21)	315,817	2	616,519	4
2150	Notes payable (Note 15)	571	-	2,121	-
2160	Notes payable to related parties (Note 15 and 28)	48,300	-	49,613	-
2170	Account payable (Note 15)	1,933	-	12,253	-
2180 2280	Account payable to related parties (Notes 15 and 28) Lease liabilities - current (Note 12)	154,224 2,166	I	148,550 2,233	1
2219	Other payable (Notes 16 and 28)	65,717	-	42,177	-
2250	Provisions (Note 17)	1,106	-	1,106	-
2320	Current portion of long-term borrowings (Notes 14 and 29)	209,201	2	546,085	4
2399	Other current liabilities	16,247		2,812	
21XX	Total current liabilities	4,235,102	31	5,194,468	35
	NON-CURRENT LIABILITIES				
2580 2540	Lease liabilities - non-current (Note 12)	6,347 1,986,287	- 15	8,513	15
2340 2640	Long-term borrowings (Notes 14 and 29) Net defined benefit liabilities (Note 18)	1,980,287	-	2,145,255 12,895	-
2645	Guarantee deposits (Note 28)	12,086	-	13,335	-
25XX	Total non-current liabilities	2,016,344	15	2,179,998	15
2XXX	Total liabilities	6,251,446	46	7,374,466	_50
	EQUITY (Note 20)				
	Capital stock	_			
3110	Ordinary shares	2,852,450		2,852,450	20
3210	Capital surplus Shares premium	20,894	_	20,894	_
3220	Treasury shares transactions	236	-	236	-
3200	Total capital surplus	21,130		21,130	
	Retained earnings		_		
3310	Legal reserve	948,358	7	938,925	6
3320 3350	Special reserve Unappropriated earnings	966 <u>3,615,435</u>	26	966 	- 24
3300	Total retained earnings	4,564,759	$\frac{20}{33}$	4,462,827	$\frac{2\pi}{30}$
3XXX	Total equity	7,438,339	54	7,336,407	$     \begin{array}{r} \underline{24} \\ \underline{30} \\ \underline{50} \end{array} $
	Total liabilities and equity	<u>\$13,689,785</u>	<u>100</u>	<u>\$ 14,710,873</u>	<u>100</u>

The accompanying notes are an integral part of the parent company only financial statements.

Chairman: Liu Hsin-Hsiung

Manager: Liu Hua-Hsing

Accounting Officer: Cheng Yen-Fen

#### Attachment IV Founding Construction Development Corp.

#### Parent Company Only Statements of Comprehensive Income For the years ended December 31, 2020 and 2019 Unit: NTD thousands, except for earnings per share (in NTD)

		2020		2019	
Code		Amount	%	Amount	%
4300	OPERATING REVENUE (Notes 21 and 28) Rental revenue	\$ 67,976	2	\$ 121,189	11
4500	Construction revenue	3,440,165	98	964,534	89
4000	Total operating				
	revenue	3,508,141	_100	1,085,723	_100
	OPERATING COSTS (Notes 8, 10, 22 and 28)				
5300	Rental costs	( 80,826)	( 2)	( 80,536)	$\begin{pmatrix} 7 \end{pmatrix}$
5500	Construction costs	$(\underline{2,924,567})$	$\left(\underline{-84}\right)$	$(\underline{722,711})$	$(\underline{-67})$
5000	Total operating costs	(3,005,393)	( <u>86</u> )	( <u>803,247</u> )	( <u>74</u> )
5900	Gross Profit	502,748	14	282,476	26
6000	OPERATING EXPENSES (Notes 18, 22 and 28)	( <u>195,509</u> )	( <u>5</u> )	( <u>196,748</u> )	( <u>18</u> )
6900	Net Operating Income	307,239	9	85,728	8
	NON-OPERATING INCOME AND EXPENSES (Notes 10 and 22)				
7100	Interest income	197	-	161	-
7010	Other income	1,757	-	889	- 1
7020 7050	Other gains and losses Finance costs	( 15,564) ( 39,128)	-	5,385 ( 64,978)	(6)
7030	Shares of profits of	( 39,128)	( 1)	( 04,978)	( 0)
1010	subsidiaries, associates and joint ventures accounted for using the				
7000	equity method Total non-operating income and	7,658	<u> </u>	80,317	7
	expenses	( <u>45,080</u> )	( <u>1</u> )	21,774	2

(Continued on the next page)

#### Attachment IV (Continued from the previous page)

		2020		2019		
Code		Amount	%	Amount	%	
7900	Net income before tax for the year	\$ 262,159	8	\$ 107,502	10	
7950	Income tax expense (Note 23)	( <u>19,401</u> )	( <u>1</u> )	( <u>13,164</u> )	( <u>1</u> )	
8200	NET INCOME (LOSS) FOR THE YEAR	242,758	7	94,338	9	
0210	OTHER COMPREHENSIVE INCOME (LOSS) (Notes 18 and 23)					
8310	Items that will not be reclassified subsequently to profit or loss					
8311	Remeasurement of defined benefit plans	203	_	603	_	
8330	Shares of other comprehensive income of subsidiaries, associates and joint ventures accounted for using the equity	203	-	005	_	
8349	method Income tax relating to items that will not be reclassified subsequently to	1,635	-	207	-	
8300	profit or loss Other comprehensive income for the year, net of	( <u>41</u> )		( <u>121</u> )		
	income tax	1,797		689		
8500	TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 244,555</u>	7	<u>\$ 95,027</u>	9	
	EARNINGS PER SHARE (Note 24)					
9710 9810	Basic Diluted	<u>\$ 0.85</u> <u>\$ 0.85</u>		<u>\$ 0.33</u> <u>\$ 0.33</u>		

The accompanying notes are an integral part of the parent company only financial statements.

Chairman: Liu Hsin-Hsiung Manager: Liu Hua-Hsing

Accounting Officer: Cheng Yen-Fen

#### Attachment IV Founding Construction Development Corp.

# Parent Company Only Statements of Changes in Equity For the years ended December 31, 2020 and 2019 Unit: NTD thousands

	_	Share	capital	Capital	surplus		Retained earnings		
	_	Shares (In			Treasury shares			Unappropriated	
Code	-	Thousands)	Ordinary share	Shares premium	transactions	Legal reserve	Special reserve	earnings	Total equity
A1	Balance as of January 1, 2019	285,245	\$ 2,852,450	\$ 20,894	\$ 236	\$ 915,510	<b>\$</b> 966	\$ 3,650,996	\$ 7,441,052
	Appropriation of earnings for 2018								
31	Legal reserve	-	-	-	-	23,415	-	( 23,415)	-
B5	Cash dividends to shareholders	-	-	-	-	-	-	( 199,672)	( 199,672)
D1	Net income for 2019	-	-	-	-	-	-	94,338	94,338
D3	AFTER-TAX OTHER COMPREHENSIVE INCOME for 2019	_	_	_	_		_	689	689
	101 2017							007	007
D5	Total comprehensive income in 2019	_	_	-	_	_	_	95,027	95,027
Z1	Balance as of December 31, 2019	285,245	2,852,450	20,894	236	938,925	966	3,522,936	7,336,407
	Appropriation of earnings for 2019								
B1	Legal reserve	-	-	-	-	9,433	-	( 9,433)	-
B5	Cash dividends to shareholders	-	-	-	-	-	-	( 142,623)	( 142,623)
D1	Net income for 2020	-	-	-	-	-	-	242,758	242,758
D3	AFTER-TAX OTHER COMPREHENSIVE INCOME								
	for 2020	<u> </u>	<u> </u>	<u> </u>			<u> </u>	1,797	1,797
D5	Total comprehensive income in								
	2020							244,555	244,555
Z1	Balance as of December 31, 2020	285,245	<u>\$2,852,450</u>	<u>\$ 20,894</u>	<u>\$ 236</u>	<u>\$ 948,358</u>	<u>\$ 966</u>	<u>\$ 3,615,435</u>	<u>\$ 7,438,339</u>

The accompanying notes are an integral part of the parent company only financial statements.

Chairman: Liu Hsin-Hsiung

Manager: Liu Hua-Hsing

Accounting Officer: Cheng Yen-Fen

#### Attachment IV Founding Construction Development Corp.

#### Parent Company Only Statements of Cash Flows For the years ended December 31, 2020 and 2019 Unit: NTD thousands

Code			2020		2019
	CASH FLOWS FROM OPERATING ACTIVITIES				
A10000	Net income before tax for the year	\$	262,159	\$	107,502
A20010	Adjustments for:				
A20100	Depreciation expenses		82,538		84,591
A20200	Amortization expenses		64		64
A20400	Net gain on fair value changes of financial assets and liabilities at				
	fair value through profit or loss	(	436)	(	6,397)
A20900	Finance costs		39,128		64,978
A21200	Interest income	(	197)	(	161)
A22300	Shares of profits of subsidiaries,				
	associates and joint ventures				
	accounted for using the equity				
	method	(	7,658)	(	80,317)
A22500	Gain on disposal of property, plant				
	and equipment	(	286)		-
A23100	Net gain on disposal of financial				
	assets	(	392)	(	762)
A23700	Loss on write-downs of				
	inventories		13,959		-
A30000	Changes in operating assets and liabilities				
A31130	Notes receivable		-		29,217
A31150	Account receivables		5,255		5,837
A31200	Inventories		1,001,511	(	455,638)
A31230	Prepayments		33,256	(	16,538)
A31240	Other current assets		1,448	(	2,175)
A31250	Other financial assets	(	20,896)	(	65,379)
A32125	Contract liabilities – current	(	300,702)		179,700
A32130	Notes payable	(	1,550)	(	1,050)
A32140	Other receivables - related parties	(	1,313)		42,000
A32150	Accounts payable	(	10,320)	(	19,360)
A32160	Accounts payable - related parties		5,674		50,695
A32180	Other payable		19,607	(	13,472)
A32230	Other current liabilities		13,435	(	19,145)
A32240	Net defined benefit liabilities -				
	non-current	(	1,068)		75
A33000	Cash generated from/(used in)				
	operations		1,133,216	(	115,735)
A33500	Income taxes paid	(	21,988)	(	26,545)
AAAA	Net cash generated from/(used in)				
	operating activities		1,111,228	(	142,280)

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#### Attachment IV (Continued from the previous page)

Code		2020	2019
	CASH FLOWS FROM INVESTING ACTIVITIES		
B00100	Acquisition of financial assets at fair value		
D00000	through profit or loss	(\$ 10,068)	(\$ 5,045)
B00200	Disposal of financial assets at fair value	10.450	50 5(1
B02800	through profit or loss Proceeds from disposal of property, plant	10,459	50,561
D02800	and equipment	286	_
B03700	Decrease (Increase) in refundable deposits	6,657	( 5,825)
B05400	Acquisition of investment properties	( 431)	(949)
B06000	Decreases in finance lease receivables	686	150
B07500	Interest received	90	161
B07600	Dividends received from subsidiaries	30,000	31,600
BBBB	Net cash generated from investing		
	activities	37,679	70,653
	CASH FLOWS FROM FINANCING ACTIVITIES		
C00100	Increase in short-term borrowings	835,560	879,516
C00200	Decrease in short-term borrowings	( 1,501,310)	( 629,277)
C00500	Increase in short-term notes and bills	( -,=,= )	(
	payable	314,571	431,449
C01600	Proceeds from long-term borrowings	170,000	-
C01700	Repayments of long-term borrowings	( 665,852)	( 455,306)
C03000	Increase (Decrease) in guarantee deposits		
	received	( 1,249)	293
C04020	Payments of lease liabilities	( 2,446)	( 2,525)
C04500	Dividends paid to owners of the Company	( 142,623)	( 199,672)
C05600	Interest paid	( <u>36,045</u> )	( <u>65,344</u> )
CCCC	Net cash used in financing activities	(	( <u>40,866</u> )
EEEE	NET INCREASE (DECREASE) IN CASH AND		
	CASH EQUIVALENTS FOR THE YEAR	119,513	( 112,493)
E00100	CASH AND CASH EQUIVALENTS,		
	BEGINNING OF YEAR	172,619	285,112
E00200	CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 292,132	<u>\$ 172,619</u>
	, ,	<u>* -/=,10=</u>	<u>* - / <del>-</del> ) × + /</u>

The accompanying notes are an integral part of the parent company only financial statements.

Chairman: Liu Hsin-Hsiung

Manager: Liu Hua-Hsing

Accounting Officer: Cheng Yen-Fen

# Founding Construction Development Corp. **Profit Distribution Statement** Year 2020

unit: NT\$

	Amount	
Beginning Retained Earnings	3,371,845,836	
Other Comprehensive Income recognized as	1,797,165	
Unappropriated Retained Eearnings	1,797,105	
Adjusted Beginning Retained Earnings	3,373,643,001	
Profit	242,758,308	
Legal reserve	(24,455,547)	
Distributable Net Profit	3,591,945,762	
Distributable Items		
Shareholder Dividends (Cash)	(171,146,966)	NT\$0.6 per share
Total	(171,146,966)	
Unappropriated Retained Earnings	3,420,798,796	

Note: preemptive distribution of 2020 earnings

Chairman: Liu Hsin-Hsiung Manager: Liu Hua-Hsing Accounting Officer: Cheng, Yen-Fen

# Comparison Table for the Amendments to Procedures for Acquisition and Disposal of Assets

After Amendment	Before Amendment	Explanation
Article 7	Article 7	The authorized
The procedures for the acquisition or	The procedures for the acquisition or	
disposal of real property, equipment, or	disposal of real property, equipment, or	amount stated
right-of-use assets thereof.	right-of-use assets thereof.	in point 2 is
1. Procedure for Evaluation and Operation	1. Procedure for Evaluation and Operation	amended to
The Company shall only acquire or dispose	The Company shall only acquire or dispose	meet the needs
of real property, equipment, or right-of-use	of real property, equipment, or right-of-use	of business
assets thereof until a feasibility assessment	assets thereof until a feasibility assessment	efficiency.
report is made by the responsible	report is made by the responsible	ennene j.
department of the Company and approved	department of the Company and approved	
pursuant to the "Approval Authority	pursuant to the "Approval Authority	
Schedule" of the Company.	Schedule" of the Company.	
In acquiring or disposing of real property or	1 7	
right-of-use assets thereof, an analysis		
report containing suggestions for transaction		
conditions and transaction price shall be		
made based on the publicly announced		
current value, assessed value, and actual		
transaction price of property in the vicinity.		
Any acquisition or disposal of equipment		
shall be conducted through price inquiry,		
price comparison, price negotiation, or		
tendering.		
2. Procedure for Decision of Transaction	2. Procedure for Decision of Transaction	
Conditions and Authorized Amount	Conditions and Authorized Amount	
	(1) In <u>acquiring construction inventory</u> , real	
assets thereof, where the transaction	property,equipment, or right-of-use	
amount is $NT$ <u>600</u> million or less, the	assets thereof, where the transaction	
Company shall obtain prior approval of	amount is NT\$ <u>50</u> million or less <u>after</u>	
the Chairperson; where the transaction	price inquiry, price comparison, and	
amount is more than NT\$ <u>600</u> million,	price negotiation, the Company shall	
the Company shall obtain prior approval of the board of directors.	obtain prior approval of the <u>President;</u>	
of the board of directors.	where the transaction amount is more than NT\$50 million and is NT\$100	
	<u>million or less, the Company shall</u>	
	obtain prior approval of the	
	Chairperson; where the transaction	
	amount is more than NT\$100 million,	
	the Company shall obtain prior approval	
	of the board of directors.	
(2) In <u>disposing of</u> real property or	(2) In <u>disposing of</u> real property <u>(not</u>	
right-of-use assets thereof, where the	including construction inventory),	
transaction amount is NT\$1 billion or	<u>equipment</u> or right-of-use assets thereof,	
less, the Company shall obtain prior	the original user department of the	
approval of the Chairperson; where the	<u>Company shall submit a petition and</u>	
transaction amount is more than NT\$1	state the reason(s) for disposal, and the	
billion, the Company shall obtain prior	asset manager shall conduct price	
,		1

approval of the board of directors.	inquiry, price comparison and price
	negotiation for the asset to be disposed
	of. Where the carrying value or
	<u>appraised value is NT\$50 million or</u>
	less, the Company shall obtain prior
	approval of the <u>President</u> ; where the
	carrying value or appraised value is
	more than NT <u>\$50 million and is</u>
	NT\$100 million or less, the Company
	shall obtain prior approval of the
	Chairperson; where the carrying value
	or appraised value is more than NT\$100
	million, the Company shall obtain prior
	approval of the board of directors. In
	disposing of construction inventory,
	where the transaction amount reaches
	NT\$500 million, the Company shall
	obtain prior approval of the board of
	directors.
(3) In acquiring and disposing of equipment	
or right-of-use assets thereof, the original	
user department of the Company shall	
submit a petition and state the reason(s)	
for acquisition or disposal, and where the	
carrying value or appraised value is	
NT\$50 million or less, the Company	
shall obtain prior approval of the	
President; where the carrying value or	
appraised value is more than NT\$50	
million and is NT\$100 million or less,	
,	
the Company shall obtain prior approval	
of the Chairperson; where the carrying	
value or appraised value is more than	
NT\$ <u>100 million</u> , the Company shall	
obtain prior approval of the board of	
directors.	

# **Comparison Table for Amendments to Rules for Election of Directors**

After Amendment	Before Amendment	Explanation
<u>Procedures</u> for Election <u>and</u> <u>Appointment</u> of Directors	<u>Rules</u> for Election of Directors	Name is amended in accordance with the TWSE, Tai-Cheng- Chi-Li Announcment No.109009468
Article 1 Unless otherwise provided in laws, rules or regulations or the articles of incorporation of the Company, the directors of the Company shall be elected <u>and appointed</u> in accordance with the <u>procedures</u> specified herein (the " <u>Procedures</u> ").	Article 1 Unless otherwise provided in laws, rules or regulations or the articles of incorporation of the Company, the directors of the Company shall be elected in accordance with the <u>rules</u> specified herein (the <u>"Rules"</u> ).	
Article 2 The overall composition of the board of directors shall be taken into consideration in the selection of the Company's directors. Each board member shall have the necessary knowledge, skill, and experience to perform his/her duties. More than half of the directors shall be persons who have neither a spousal relationship nor a relationship within the second degree of kinship with any other director.	Article 2 <u>The directors of the Company shall be</u> <u>elected pursuant to a cumulative voting</u> <u>mechanism. Each share shall have</u> <u>voting rights equivalent to the number</u> <u>of directors to be elected and such</u> <u>voting rights can be combined to vote</u> <u>for one person or divided to vote for</u> <u>several persons.</u>	Article number is changed from 2 to 5
Article 3 The qualifications, election and apppoitment for the independent directors of the Company shall comply with the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies, and shall be conducted in accordance with Article 24 of the Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies.	Article 3 <u>The board of directors shall prepare</u> <u>ballots equal to the number of directors</u> <u>to be elected. The number of voting</u> <u>rights associated with each ballot shall</u> <u>be specified on the ballots, which shall</u> <u>then be distributed to the attending</u> <u>shareholders at the shareholders</u> <u>meeting. Attendance card numbers</u> <u>printed on the ballots may be used</u> <u>instead of recording the names of voting</u> <u>shareholders.</u>	Article number is changed from 3 to 6
Article 4 Elections of directors at the Company shall be conducted in accordance with the candidate nomination system and	Article 4 <u>The candidates acquiring ballots</u> <u>representing the highest numbers of</u> <u>voting rights, calculated separately for</u>	Article number is changed from 4 to 7

procedures set out in Article 192-1 of the Company Act. When the number of directors falls accordance with the number of directors and index by election of ill the vacancy at its next shareholders meeting. When the number of directors stall hold aby election to fill the vacancy at its next shareholders meeting within 60 days from the date of courrence to hold a by election to fill the provise of hold a by election to fill the provise of hold a by election to fill the securities and incases, a special shareholders meeting shall be called within 60 days from the date of for the provise of Article 1-2, paragraph 1 of the Securities and Exchange Act, a by-election shall be called within 60 days from the date of for the provise of hold a by-election to fill the vacancies. When the number of independent directors falls below that required under the provise of Article 1-2, paragraph 1 of the Securities and Exchange Act, a by-election shall be called within 60 days from the date of for the provise of the Company shall be elected pursuant to a cumulative voting for the gress of the Company shall be elected pursuant to a cumulative to the for one person or divided to vote for of directors shall prepare of directors shall prepare for the directors shall prepare to be elected and such voting commenees. Article 6 The board of directors shall prepare to be elected. The number of voting mate and shareholders of the Company, voters shall fill in the specified on the ballots which shall the be distributed to the attending "candidate" shareholder of this, company, voters shall fill in the "candidate" shourn the candidate's 1D number. If the candidate i		• • • • • • • •	
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	instead of recording the names of	or a legal entity, the full name of the	
voting shareholders. government agency or the legal entity	voting shareholders.	government agency or the legal entity	

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	or the name of their representative	
	should be filled in the column. When	
	there are several representatives, each	
	of their names shall be filled in the	
	<u>column.</u>	
Article 7	Article 7	Article number is
The candidates acquiring ballots	Ballots shall be deemed void under any	changed from 7 to 9
representing the highest numbers of	of the following circumstances:	
voting rights, calculated separately for	(1) Ballots not prepared by the	
independent and non-independent	Company.	
director positions, will be elected	(2) Blank ballots placed in the ballot	
sequentially according to their	box.	
respective numbers of votes in	(3) Ballots with illegible or altered	
accordance with the number of directors		
provided in the articles of incorporation	(4) The name or shareholder's number	
of the Company. When two or more	of a shareholder candidate is	
candidates acquire the same number of	inconsistent with the information	
voting rights and the number of such	recorded in the Register of	
candidates exceeds the specified	Shareholders. The name or the ID	
number of positions available, such	number of a non-shareholder	
candidates shall draw lots to determine	candidate is incorrect upon	
who would prevail. The chairman of the	verification.	
shareholders' meeting (the "Chairman")	(5) Other words or marks are entered	
shall draw lots on behalf of the	in addition to the name, the	
candidates not in attendance.	shareholders' number or the	
eunereures not in attendance.	number of voting rights allotted.	
	(6) The name of the candidates filled	
	in the ballots being the same as	
	another shareholder's name, and	
	the respective shareholder's	
	numbers or ID numbers not being	
	indicated to distinguish them.	
Article 8	Article 8	Article number is
Before the election begins, the	The voting rights shall be calculated on	changed from 8 to 10
Chairman shall appoint several persons,	site immediately after the end of the	changed from 6 to 10
who are shareholders of the Company,	poll, and the results of the calculation,	
to perform the respective duties of vote	including the list of elected directors	
monitoring and counting personnel. The	and the numbers of voting rights, shall	
ballot box used for voting shall be	be announced by the Chairman on the	
prepared by the board of directors of the		
Company and checked in public by the	The ballots specified in preceding	
vote monitoring personnel before	paragraph shall be sealed and signed by	
voting commences.	the monitoring personnel and kept in	
	proper custody for at least one year. If,	
	however, a shareholder files a lawsuit	
	pursuant to Article 189 of the Company	
	Act, the ballots shall be retained until	
	the conclusion of the litigation.	
Article 9	Article 9	Article number is
Ballots shall be deemed void under any	These Rules, and any amendments	changed from 9 to 12
of the following circumstances:	hereto, shall be implemented after	
(1) <u>Ballots not prepared by the</u>	approval by a shareholders' meeting.	

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# FOUNDING CONSTRUCTION DEVELOPMENT CORP. (the "Company") ARTICLES OF INCORPORATION

### **Chapter I - General Provisions**

- Article 1 The Company shall be incorporated under the Company Act, and its name shall be 皇 鼎建設開發股份有限公司. The Company's name in English language shall be FOUNDING CONSTRUCTION DEVELOPMENT CORP. Article 2 The scope of business of the Company shall be as follows: 1. H701010 Housing and Building Development and Rental 2. H701020 Industrial Factory Development and Rental 3. H701040 Specific Area Development 4. H701060 New Towns, New Community Development 5. E801010 Indoor Decoration 6. I503010 Landscape and Interior Designing 7. F111090 Wholesale of Building Materials 8. F113010 Wholesale of Machinery 9. F211010 Retail Sale of Building Materials 10.F213080 Retail Sale of Machinery and Tools 11.CB01010 Mechanical Equipment Manufacturing 12.CQ01010 Mold and Die Manufacturing 13.CZ99990 Manufacture of Other Industrial Products Not Elsewhere Classified 14.CB01020 Affairs Machine Manufacturing 15.CB01990 Other Machinery Manufacturing 16.CC01010 Manufacture of Power Generation, Transmission and Distribution Machinery 17.CC01020 Electric Wires and Cables Manufacturing 18.CC01030 Electrical Appliances and Audiovisual Electronic Products Manufacturing 19.CC01040 Lighting Equipment Manufacturing 20. CC01060 Wired Communication Mechanical Equipment Manufacturing 21.CC01080 Electronics Components Manufacturing 22.CC01110 Computer and Peripheral Equipment Manufacturing 23.CC01990 Other Electrical Engineering and Electronic Machinery Equipment Manufacturing 24. CH01040 Toys Manufacturing 25.CA02010 Manufacture of Metal Structure and Architectural Components 26.CA02030 Screw, Nut and Rivet Manufacturing 27.CA02040 Spring Manufacturing 28.CA02050 Valves Manufacturing 29.CA02060 Metal Containers Manufacturing 30.CA02090 Metal Wire Products Manufacturing 31.CA02990 Other Metal Products Manufacturing
  - 32. CP01010 Hand Tools Manufacturing

33.C306010 Wearing Apparel 34.C307010 Clothing Accessories 35.C399990 Other Textile and Products Manufacturing 36.C402030 Manufacture of Leather, Fur and Related Products 37.C601030 Paper Containers Manufacturing 38.C804020 Industrial Rubber Products Manufacturing 39.C805020 Manufacture of Plastic Films and Bags 40. C805030 Plastic Daily Necessities Manufacturing 41.C805060 Plastic Leathers Products Manufacturing 42.C805070 Reinforced Plastic Products Manufacturing 43. C805990 Other Plastic Products Manufacturing 44.CG01010 Jewelry and Precious Metals Products Manufacturing 45.CK01010 Footwear Manufacturing 46.CL01010 Umbrella Manufacturing 47.CM01010 Case and Bag Manufacturing 48. CN01010 Furniture and Decorations Manufacturing 49.CO01010 Tableware Manufacturing 50.CZ99020 Zipper and Button Manufacturing 51.ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval. Article 2-1 The Company may provide guarantee and invest in other business based on the need of business. The aforesaid limitation of investment in other business shall not exceed 40% of the amount of the Company's paid-up capital.

- Article 3 The head office of the Company is set up in Taipei City. The Company may, by resolution of the board of directors of the Company (the "Board of Director"), establish branch within and without the country.
- Article 4 Public announcements of the Company shall be made in accordance with Article 28 of Company Act.

# Chapter II – Capital Stock

- Article 5 The total capital stock of the Company shall be in the amount of 3,600,000,000 New Taiwan Dollars, divided in 360,000,000 shares, at ten New Taiwan Dollars each, and may be paid-up by installments.
- Article 6 The share certificates of the Company shall all be named-bearing certificates, be signed or sealed with the chop of the director(s) of the Company (the "Director(s)") who represent the Company and shall be issued after attestation from the banks competent to serve as attesters for the issuance of shares certificates under the laws. The Company may issue shares without printing share certificate(s) and the shares

shall be register in Taiwan Depository & Clearing Corporation and free from the preceding paragraph.

The shareholder service of the Company shall be in accordance with Regulations Governing the Administration of Shareholder Services of Public Companies

Article 7 Registration for transfer of share(s) shall be suspended 60 days immediately before the date of general shareholders' meeting, 30 days immediately before the date of extraordinary shareholders' meeting, or within 5 days immediately before the day on

which dividend, bonus, or any other benefits is scheduled to be paid by the Company. The period specified in the preceding paragraph shall commence with the convening date of shareholders' meeting or from the reference date which the Company pays the dividend, bonus, or any other benefits.

Article 8 The shares, which the Company repurchases in accordance with the Company Act, may be transferred to the employees of parents or subsidiaries of the Company meeting certain specific qualifications. The qualifications and mechanisms of allocation shall be resolved in accordance with the resolutions of the Board of Directors.

When the Company issues new shares, it could be purchased by the employees of parents or subsidiaries of the Company meeting certain specific qualifications. The qualifications and mechanisms of allocation shall be resolved in accordance with the resolution of the Board of Directors.

#### **Chapter III – Shareholders' Meeting**

- Article 9 Shareholders' meetings of the Company are of two types, namely: general shareholders' meetings and extraordinary shareholders' meetings. Except otherwise specified in the Company Act, the shareholders' meeting shall be convened by the Board of Directors. General shareholders' meeting shall be held at least once every year and shall be convened within six months after close of each fiscal year unless otherwise approved by the competent authority for good cause shown. Extraordinary shareholders' meeting shall be convened in accordance with relevant laws, rules and regulations when necessary.
- Article 9-1 A notice includes the convening date, location and purpose shall be given to each shareholder and be publicly announced, at least 30 days in advance, in the case of general shareholders' meetings; and at least 15 days in advance, in the case of extraordinary shareholders' meetings. The notice of shareholders' meeting may be given by the means of electronic transmission upon shareholder's consent. The notice specified in the preceding paragraph given to shareholders who hold less

than 1,000 shares of registered stock may be effected by means of a public notice.

- Article 10 A shareholder who may not attend the shareholders' meeting may appoint a representative to attend with the proxy printed by the Company. Except as provided in Article 177 of the Company Act, in the event that shareholders appoint a representative shall be in accordance with "Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies" regulated by government authorities in charge.
- Article 11 Except as provided in Item 3, Article 157 of the Company Act, each share of stock shall be entitled to one vote; the shares of stock specified in Section 2, Article 179 of the Company Act which have no voting right are exempted from this article.
- Article 12 Resolutions shall, unless otherwise provided in relevant laws, rules and regulations, be adopted by a majority vote of the shareholders present, who represent more than one-half of the total issued and outstanding shares of the Company in person or by proxy.
- Article 12-1 The resolution of shareholders' meeting shall be recorded in the minutes and handled in accordance with Article 183 of the Company Act.

#### Appendix 1

Article 12-2 The Company may cease the status of public company by special resolution of shareholders' meeting.

#### **Chapter IV – Directors and Audit Committee**

- Article 13 The Company shall have nine (9) Directors, and the term of office for Directors shall be three (3) years. The Directors shall be elected from among the person(s) with legal capacity by the shareholders' meeting adopting candidate nomination mechanism, and he/she may be eligible for re-election. The percentage of shareholdings of all the Directors shall be in accordance with the Company Act, the Security Exchange Act and relevant laws, rules and regulations.
- Article 13-1 The number of Directors hereinbefore shall, at least, contain three (3) Independent Directors and not less than one-fifth of the total number of Directors. Independent Directors' professional qualifications, restrictions on shareholding, concurrent positions held, mechanism of nomination and election, and relevant matters shall be in accordance with the Company Act and Securities, the Security Exchange Act and relevant laws, rules and regulations.
- Article 13-2 The Company shall establish an Audit Committee comprised of all of the Independent Directors.
- Article 14 The Board of Directors shall be organized by Directors. The Directors shall elect from among themselves a Chairman of the Board of Directors, by a majority in a meeting attended by more than two-third of the Directors, and may elect a Vice Chairman depending on the need of business. The Chairman may externally represent the Company. Directors, who may not attend the meeting of Board of Directors, may appoint other Directors to attend by written proxy setting forth the scope of authorization for subject(s) to be discussed provided that a Director may only be the appointed proxy of one person.
- Article 14-1 In the case that vacancies on the Board of Directors exceed one-third of the total number of Directors or all Independent Directors are removed, the Board of Directors shall convene, within sixty (60) days, an extraordinary shareholders' meeting to elect succeeding Directors to fill such vacancies, so as to fulfill the unexposed term of office of the predecessors.
- Article 15 In the case that the Chairman could not perform his/her duties, the appointment of his/her representative shall be in accordance with Article 208 of the Company Act.
- Article 15-1 In calling meeting of the Board of Directors, a notice, which shall set forth therein subject(s) to be discussed, shall be given to each Director no later than seven (7) days prior to the scheduled meeting date. In a case of emergency, a meeting of the Board of Directors may be convened at any time.

The notice regulated specified in the preceding paragraph may be in written, via e-mail or fax.

- Article 15-2 Board of Directors may set up any kind of functional committees based on requirements of business operation. The number of personnel, term of offices, scope of duties and power and etc., shall be provided in the organic regulations of each committee, and be approved by the Board of Directors.
- Article 16 Directors shall be entitled to compensation for their performance of duties of the Company regardless of profit or loss. The Board of Directors is authorized to

determine the compensation based on the level of their participation in the Company's operations and value of their contribution and the standards generally adopted by the enterprises of the same industry. The Company shall distribute compensation in accordance with Article 19 of the Articles of Incorporation of the Company where the Company has a profit.

The Company may purchase liability insurance for all Directors and key personnel for the purpose of reducing the risk of being accused by shareholders or other stakeholders in the performance of their duties according to the laws.

#### **Chapter V – Managerial Officer**

Article 17 The Company may have one president, whose appointments, removal and compensations shall be subject to provisions in Article 29 of the Company Act.

#### **Chapter VI – Accounting**

- Article 18 The Board of Directors shall prepare the following reports at the close of each accounting fiscal year for the Company: (1) Business Report, (2) Financial Statements and (3) Proposal of Distribution of Earnings or Making Up of Loss, and submit the same to the general shareholders' meeting for recognition.
- Article 19 The Company's profit, before tax and before compensation distribution to the employees and Directors, in any fiscal year shall set aside 0.6% to 3% of the profits as employee compensation. The Board of Directors may resolve to distribute employee compensation in shares or cash. Employees of parents or subsidiaries of the Company meeting certain specific qualifications may be entitled to receive employee compensation. The Board of Directors may resolve to set aside not more than 2% of such profits for compensation for Directors.

The proposals of distribution specified in the preceding two paragraphs shall be reported to the shareholders' meeting.

However, the Company shall have reserved a sufficient amount to offset its accumulated losses (including adjustment of retained profits) before setting aside compensations for employees and Directors in accordance with the ratios provided in the preceding paragraph.

Article 20 Where the Company has a profit after tax at the end of each fiscal year, the Company shall offset the accumulative losses (including adjustment of retained profits) and set aside a legal capital reserve at 10% of the remaining profits first provided that the amount of accumulated legal capital reserve has not reached the amount of the paid-in capital of the Company, and then set aside or reverse the remains as special reserve in accordance with relevant laws, rules and regulations. With the balance after deductions in the preceding paragraphs together with retained profits from preceding years (including adjustment of retained profits), the Board of Directors are authorized to prepare proposal for profits earnings distribution and adopt a resolution by a majority vote at a meeting of the Board of Directors attended by two-thirds or more of all the Directors to distribute dividends and bonuses in whole or in part in cash, and then

report such distribution to the shareholders' meeting. Where distributing surplus profits by issuing new shares in accordance with the preceding paragraph, it shall be adopted by the resolution of the shareholders' meeting in accordance with Article 240 of the Company Act. About the distribution of dividends of the Company, the ratio for dividend in cash shall not be lower than 30% of total distribution.

Article 20-1 Where the Company incurs no loss, the Company shall authorize the Board of Directors to distribute the legal reserve (the amount which exceeds 25% of the paid-in capital) and the capital reserve in accordance with the Company Act, in whole or in part in cash, pursuant to resolution adopted by a majority vote of a meeting of the Board of Directors attended by two-thirds or more of all the Directors, and make a report to the most recent shareholders' meeting.

#### **Chapter VII – Supplementary Provisions**

- Article 21 Matters not addressed in these Articles of Incorporation shall be governed by the Company Act and other applicable regulations.
- Article 22 The Articles of Incorporation was enacted on April 12, 1991. The first Amendment was adopted on September 21, 1994.
  - The second Amendment was adopted on September 23, 1994.

The third Amendment was adopted on July 25, 1995.

The fourth Amendment was adopted on March 21, 1997.

The fifth Amendment was adopted on August 12, 1997.

The sixth Amendment was adopted on April 30, 1999.

The seventh Amendment was adopted on April 28, 2000.

The eighth Amendment was adopted on April 26, 2002.

The ninth Amendment was adopted on April 29, 2003.

The tenth Amendment was adopted on May 6, 2005.

The eleventh Amendment was adopted on June 9, 2006.

- The twelfth Amendment was adopted on June 15, 2007.
- The thirteenth Amendment was adopted on April 7, 2008.
- The fourteenth Amendment was adopted on June 23, 2009.
- The fifteenth Amendment was adopted on June 9, 2011.
- The sixteenth Amendment was adopted on June 5, 2012.
- The seventeenth Amendment was adopted on June 6, 2014.

The eighteenth Amendment was adopted on June 6, 2016.

The nineteenth Amendment was adopted on June 6, 2017.

The twentieth Amendment was adopted on June 10, 2019. The twenty-first Amendment was adopted on June 9, 2020.

#### FOUNDING CONSTRUCTION DEVELOPMENT CORP.

LIU, HSIN-HSIUNG Chairman

# FOUNDING CONSTRUCTION DEVELOPMENT CORP. (the "Company") Rules of Procedure of Shareholders' Meeting

adopted by shareholders' meeting on June 23, 2020.

- Article 1 Shareholders' meeting of the Company (the "Meeting") shall be conducted in accordance with this Rules of Procedure of Shareholders' Meeting (the "Rules of Procedure"). Any matter not provided in the Rules of Procedure shall be handled in accordance with the Company Act and other relevant laws and regulations.
- Article 2 The "shareholder" referred to in the Rules of Procedure means the shareholder himself/herself/itself and the proxy appointed by the shareholder.
- Article 3 The Company shall furnish the attending shareholders with an attendance sheet to sign, or attending shareholders (or proxies) may hand in a sign-in card in lieu of signing in.

If the sign-in card is handed over to the Company, it is deemed that the shareholder or proxy named on the sign-in card is present in person, and the Company is not responsible for identification.

Article 4 Attendance and voting at Meetings shall be calculated based on numbers of shares. The number of shares in attendance shall be calculated according to the shares indicated by the attendance book and sign-in cards handed in plus the number of shares whose voting rights are exercised by correspondence or electronically.

When a juristic person is appointed to attend as proxy, it may designate only one person to represent it in the Meeting.

When a juristic person shareholder appoints two or more representatives to attend the Meeting, only one of the representatives so appointed may speak on the same proposal.

- Article 5 The Meeting shall be held at the head office of the Company or at any other appropriate place that is convenient for the shareholders to attend. The time to start the Meeting shall not be earlier than 9:00 a.m. or later than 3:00 p.m.
- Article 6 If the Meeting is convened by the board of directors, the Meeting shall be chaired by the chairman of the board. When the chairman of the board is on leave or for any reason unable to exercise the powers of the chairman, the vice chairman shall act in place of the chairman; if there is no vice chairman or the vice chairman also is on leave or for any reason unable to exercise the powers of the powers of the vice chairman, the chairman shall appoint one of the directors to act as chairman. Where the chairman does not make such a designation, the directors shall select from among themselves one person to serve as chairman.

If the Meeting is convened by a party with power to convene but other than the board of directors, the convening party shall chair the meeting. When there are two or more such convening parties, they shall mutually select a chairman from among themselves.

Article 7 The chairman shall call the Meeting to order at the appointed meeting time. However, when the attending shareholders do not represent a majority of the total number of issued shares, the chairman may announce a postponement, provided that no more than two such postponements, for a combined total of no more than one hour, may be made. If the quorum is not met after two postponements, the chairman may declare the Meeting adjourned, provided that the attending shareholders represent one third or more of the total number of issued shares, a tentative resolution may be adopted pursuant to Paragraph 1, Article 175 of the Company Act; all shareholders shall be notified of the tentative resolution and another Meeting shall be convened within 1 month. When, prior to conclusion of the Meeting, the attending shareholders represent a majority of the total number of issued shares, the chairman may resubmit the tentative resolution for a vote by the Meeting pursuant to Article 174 of the Company Act.

Article 8 If the Meeting is convened by the board of directors, its meeting agenda shall be set by the board of directors, and the Meeting shall proceed in the order set by the agenda which may not be changed without a resolution of the Meeting.

The provisions of the preceding paragraph apply mutatis mutandis to a Meeting convened by a party with the power to convene that is not the board of directors.

The chairman may not declare the Meeting adjourned prior to completion of deliberation on the meeting agenda of the preceding two paragraphs (including extraordinary motions), except by a resolution of the Meeting. If the chairman declares the meeting adjourned in violation of the Rules of Procedure, a new chairman may be elected by agreement of a majority of the votes represented by the attending shareholders, and then continue the meeting.

After the Meeting is adjourned, the shareholder may not elect another chairman to resume the Meeting at the same or another place.

Article 9 Before speaking, an attending shareholder must specify on a speaker's slip the subject of the speech, his/her shareholder account number (or attendance card number), and account name. The order in which shareholders speak will be set by the chairman. A shareholder in attendance who has submitted a speaker's slip but does not actually speak shall be deemed to have not spoken. When the content of the speech does not correspond to the subject given on the speaker's slip, the spoken content shall prevail. Shareholders restrict the authority of the proxy in the power of attorney or other methods, regardless of whether it is known to the Company, the speech or vote made by the proxy shall prevail.

Article 10 Except with the consent of the chairman, a shareholder may not speak more than twice on the same proposal, and a single speech may not exceed 5 minutes. If the shareholder's speech exceeds the prescribed time, number of times or scope of the agenda item, the chairman may stop such shareholder's speech.

When a shareholder is speaking, other shareholders may not speak or interrupt unless they have sought and obtained the consent of the chairman and the speaking shareholder. The chairman shall stop any violation.

Those who do not obey the stop order of the chairman in the previous two paragraphs shall be handled in accordance with Paragraph 3, Article 18 of the Rules of Procedure.

- Article 11 After an attending shareholder has spoken, the chairman may respond in person or direct relevant personnel to respond.
- Article 12 Discussions or votes shall be carried out only for proposals. When the chairman considers that a proposal has been discussed sufficiently to put it to a vote, the chairman may announce the discussion closed, call for a vote.For such proposals which are announced by the chairman to close the discussion and to be determined by votes, ballots may be casted for several motions at the same time but shall be voted separately.

#### Appendix 2

Article 13 Except as otherwise specified in the Company Act or the Articles of Incorporation of the Company, a resolution shall be adopted by a majority of the votes represented by the attending shareholders.

In the event that shareholders' voting through electronic means does not object, resolutions shall be deemed adopted and shall have the same effect as if it was voted by casting ballots if no objection is voiced after inquiry by the chairman.

If any shareholder objects to any proposal, such proposal shall be put to a vote, and the chairman may determine whether to vote on each proposal in the agenda separately, or vote on various proposals (including election) together or in separate installments and calculate the votes separately for each.

In the event there is an amendment or an alternative to a proposal, the chairman shall present the amended or alternative proposal together with the original proposal and decide the order in which they will be put to a vote. When any one of the proposals is resolved, the other proposals will then be deemed rejected and no further voting shall be required.

Article 14 A shareholder shall be entitled to one vote for each share held, except when the shares are restricted shares or are deemed non-voting shares under Section 2, Article 179 of the Company Act.

Pursuant to Article 177-1 of the Company Act, any shareholder using the specified written or electronic means to exercise his/her voting rights will be deemed to have attended the Meeting in person but will be deemed to have waived its rights to vote on the motions and amended proposals

Article 15 Vote monitoring and counting personnel for the voting on a proposal shall be appointed by the chairman, provided that all monitoring personnel shall be shareholders of the Company.
Vote counting for the Meeting proposals or elections shall be conducted in public at the shareholder.

the place of the Meeting. Immediately after vote counting has been completed, the results of the voting, including the statistical tallies of the numbers of votes, shall be announced on-site at the meeting and recorded.

- Article 16 The Company may appoint its attorney-at-law, certified public accountants or other related persons to attend the Meeting.
- Article 17 The Company shall make an audio or video recording of the proceedings of the Meeting, and retain the recorded materials for at least 1 year. If, however, a shareholder files a lawsuit in accordance with Article 189 of the Company Act, the recorded materials shall be retained until the conclusion of the litigation.
- Article 18 The chairman may direct the proctors or security personnel to help maintain order at the Meeting place. When proctors or security personnel help maintain order at the Meeting place, they shall wear an identification card or armband.

At the place of the Meeting, if a shareholder attempts to speak through any device other than the public address equipment set up by the Company, the chairman may prevent the shareholder from so doing.

When a shareholder violates the Rules of Procedures and defies the chairman's correction, obstructing the proceedings of the Meeting and refusing to heed calls to stop, the chairman may direct the proctors or security personnel to escort the shareholder from the Meeting.

Article 19 When a Meeting is in progress, the chairman may announce a break based on time considerations. If a force majeure event occurs, the chairman may rule the Meeting temporarily suspended and announce a time when, in view of the circumstances, the

#### Appendix 2

Meeting will be resumed.

If the Meeting venue is no longer available for continued use and not all of the items (including extraordinary motions) on the Meeting agenda have been addressed, the Meeting may adopt a resolution to resume the Meeting at another venue.

Article 20 These Rules of Procedures, and any amendments hereto, shall be implemented after approval by a Meeting.

# Founding Construction Development Corp. Shareholding of Directors

- 1. The paid-in capital of the Company is NT\$ 2,852,449,440 and the total number of issued shares is 285,244,944 shares.
- 2. According to Article 26 of the "Securities and Exchange Act", the minimum number of shares to be held by all directors is12,000,000 shares.
- 3. A list of the number of shares held by all directors recorded in the shareholder register as of April 12, 2021, the book closure date of this year, is provided as follows, showing full compliance with Article 26 of the "Securities and Exchange Act".

Title	Name	Date	Term	Shareholding when Elected		Shareholding on book closure date	
The	Name	Elected	Service	shares	%	shares	%
Chairman	Syntain Corp. Representative Liu Hsin-Hsiung	6/9/2020	3 years	25,718,571	9.02%	25,718,571	9.02%
Vice Chairman	Syntain Corp. Representative Liu Min-Liang	6/9/2020	3 years	25,718,571	9.02%	25,718,571	9.02%
Director	Syntain Foundation Representative Liu, Fang-Wen	6/9/2020	3 years	940,000	0.33%	940,000	0.33%
Director	Wenrui Investment Representative Chiang, Guang-Hui	6/9/2020	3 years	549,209	0.19%	549,209	0.19%
Director	Liu, Hua-Hsing	6/9/2020	3 years	4,835,089	1.70%	4,835,089	1.70%
Director	Ho, Ming-Hui	6/9/2020	3 years	41,855	0.01%	41,855	0.01%
Independent Director	Lee, Shu-Lan	6/9/2020	3 years	13,680	0.00%	13,680	0.00%
Independent Director	Chen, Bo-Yung	6/9/2020	3 years	88,563	0.03%	88,563	0.03%
Independent Director	Hung, Lung-Ping	6/9/2020	3 years	196,760	0.07%	196,760	0.07%
	Total			32,383,727	11.35%	32,383,727	11.35%

4. In accordance with Article 2 of the "Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies", if a public company has elected two or more independent directors, the share ownership figures calculated at the rates for all directors other than the independent directors shall be decreased by 20 percent.