Stock Code: 5533

FOUNDING CONSTRUCTION DEVELOPMENT CORP.

General Shareholders' Meeting 2022 Meeting Handbook

Meeting Date: June 9, 2022

Meeting Place: 3F., No. 128, Sec. 1, Datong Rd., Xizhi Dist., New Taipei

City

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Founding Construction Development Corp. Procedure for General Shareholders' Meeting 2022

I. Call the Meeting to Order

II. Chairperson Remarks

III. Company Reports

IV. Ratification Items

V. Discussion Items

VI. Motion

VII. Adjournment

Founding Construction Development Corp.

Meeting Agenda of General Shareholders' Meeting 2022

Time: 9:00a.m June 9, 2022 (Thursday)

Place: 3F., No. 128, Sec. 1, Datong Rd., Xizhi Dist., New Taipei City

- I. Call the Meeting to Order (report the number of shares represented by attending shareholders)
- II. Chairperson Remarks
- III. Company Reports
 - 1. 2021 Business Report
 - 2. 2021 Audit Committee Report
 - 3. 2021 Distribution of Director Remuneration and Employee Bonus
 - 4. 2021 Distribution of Cash Dividend

IV. Ratification Items

- 1. 2021 Business Report and Financial Statements
- 2. 2021 Profit Distribution Statement

V. Discussion Items

- 1. Amendments to the "Procedures for Acquisition and Disposal of Assets"
- VI. Motion
- VII. Adjournment

Company Reports

Report No 1.

2021 Business Report (Please refer to Attachment I on p.6 of the handbook)

Report No2.

2021 Audit Committee Report (Please refer to Attachment II on p.8 of the handbook)

Report No 3.

2021 Distribution of Director Remuneration and Employee Bonus

Explanation:

- 1. According to the Articles of Incorporation, the Company sets aside NT\$3.24 million, 0.28% of the profit as director remuneration, and NT\$6.911 million, 0.60% of the profits as employee bonus.
- 2. The aforementioned remuneration of directors and employee bonus are all distributed in cash.

Report No 4.

2021 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\$ 285,244,944 for cash dividends of NT\$1 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.

This proposal is approved by the Board of Directors and the Chairman is 3.

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.

Ratification Items

Proposal No.1: Proposed by the Board of Directors

Adoption of the 2021 Business Report and Financial Statements

Explanation:

1. The Company's 2021 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 III on p.6 and p.9 of the handbook,

respectively.

Resolution:

Proposal No.2: Proposed by the Board of Directors

Adoption of the 2021 Profit Distribution Statement

Explanation:

For the 2021 Profit Distribution Statement, please refer to Attachment IV on p.31 of

the handbook.

Resolution:

Discussion Items

Proposal: Proposed by the Board of Directors

- 4 -

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

Explanation:

In order to follow the FSC, Jin-Guan- Cheng-Fa Announcement No.1110380465
published on Jan 28, 2022 and meet the needs of business efficiency, the company
hereby proposes to amend the "Procedures for Acquisition and Disposal of
Assets".

2. For a comparison table for the amendments to the "Procedures for Acquisition and Disposal of Assets", please refer to Attachment V on p.32 of the handbook.

Resolution:

Motion

Adjournment

2021 Business Report

For the global economy in 2021, although new variants of COVID-19 continued to spread around the world, the pandemic has slowed down with the increase of vaccine coverage, resulting in a significant decrease in the number of serious illnesses and deaths. With the support of monetary easing and fiscal incentives in major countries, global economic and trade activities continue to recover, but the unstable supply chain and rising inflationary pressures keep affecting economic performance. For the domestic economy, the pandemic has been effectively controlled despite its recurrent outbreak. With the continued prosperity of the semiconductor industry, strengthening end demands of the domestic manufacturing industry, and strong private investments, the growth rate of the domestic market has been remarkable.

The domestic housing market, supported by good economic performance, easy monetary policies, low interest environment, and the global inflationary effect after the epidemic, has led to a strong demand for real estate based on the mindset of preserving value. General residential, commercial office, vast area of land, industrial land, etc. are all options for asset allocation. In addition to governmental controls on the housing market, the construction industry is facing significant increases in wages, raw material and land prices, as well as the continuing labor shortage, all of which make it necessary to operate with more caution.

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 during the process, 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.

2. Operating Performance

Unit: NT\$ thousand

| | 2021 | 2020 | +/(-) | +/(-) % |
|----------------------|-----------|-----------|-----------|----------|
| Operating Revenue | 3,772,140 | 3,834,898 | (62,758) | (1.64%) |
| Operating Costs | 2,691,369 | 3,234,290 | (542,921) | (16.79%) |
| Gross Profit | 1,080,771 | 600,608 | 480,163 | 79.95% |
| Operating Expenses | 286,715 | 287,190 | (475) | (0.17%) |
| Net Operating Income | 794,056 | 313,418 | 480,638 | 153.35% |
| Net Profit | 1,061,935 | 242,758 | 819,177 | 337.45% |
| EPS(NT\$) | 3.72 | 0.85 | 2.87 | 337.65% |

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 2021.

4. Profitability Analysis

| | 2021 (consolidated) | 2020 (consolidated) |
|--|---------------------|---------------------|
| Debt to asset ratio (%) | 36.47 | 46.80 |
| Long-term capital to property, plant and equipment (%) | 240.71 | 203.44 |
| Current ratio (%) | 286.52 | 209.58 |
| Quick ratio (%) | 53.51 | 16.32 |
| Interest Coverage Ratio (x) | 103.23 | 7.55 |
| Return on assets (%) | 7.90 | 1.90 |
| Return on shareholders' equity (%) | 13.47 | 3.28 |
| Ratio of income before tax to paid-in capital (%) | 40.21 | 9.56 |
| Profit margin (%) | 28.15 | 6.33 |
| Adjusted EPS (NT\$) | 3.72 | 0.85 |

Chairman:



Manager:



Accounting Officer:

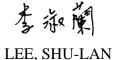


March 17, 2022

Audit Committee Report

Re: General Shareholders Meeting 2022

The Board of Directors has submitted the Company's 2021 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.



Convener of the Audit Committee Founding Construction Development Corp.

Deloitte.

勤業眾信

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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, 2021 and 2020, 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, 2021 and 2020, 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 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 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, 2021. 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, 2021 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\$7,215,983 thousand (excluding the food and beverage inventory of NT\$3,785 thousand), NT\$1,773,852 thousand, and NT\$2,358,237 thousand, respectively, representing 87% of the total assets as of December 31, 2021. 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), 4(7), 4(8), 4(9), 5, 10, 15, and 17 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 (13) 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, 2021 and 2020 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, if such disclosures are inadequate, to modify our opinion. 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.

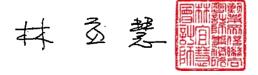
From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Founding Group's consolidated financial statements for the year ended December 31, 2021 and are therefore the key audit matters. We describe these matters in 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



Financial Supervisory Commission Approval Document Ref. No. FSC Sheng-Zi 1080321204 LIN YI-HUI, CPA



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

Founding Construction Development Corp. and Subsidiaries

Consolidated Balance Sheets December 31, 2021 and 2020 Unit: NT\$ thousands

| | | December 31, 2 | 2021 | December 31, 2020 | | |
|------------|---|----------------------|---|--------------------|---|--|
| Code | ASSETS | Amount | % | Amount | % | |
| 1100 | CURRENT ASSETS | Φ 1011014 | 0 | ф. 51 0.160 | | |
| 100 | Cash and cash equivalents (Note 6) | \$ 1,011,814 | 8 | \$ 519,169 | 4 | |
| 110 150 | Financial assets at fair value through profit or loss - current (Notes 7 and 31) Notes receivable | 66,882 | - | 2,856 | - | |
| 170 170 | Accounts receivable (Notes 9 and 25) | 16,560 11,463 | - | - 60 505 | - | |
| 197 | Finance lease receivables, net - current | 4,915 | - | 68,585 | - | |
| 220 | Current tax assets (Note 27) | 4,913 | - | 304 | - | |
| 30X | Inventories (Notes 10 and 33) | 7,219,768 | 55 | 8,437,459 | 60 | |
| 410 | Prepayments (Note 13) | 33,585 | - | 80,017 | 1 | |
| 460 | Non-current assets held for sale (Notes 11 and 33) | 339,932 | 3 | - | _ | |
| 476 | Other financial assets - current (Notes 14 and 33) | 206,888 | 2 | 121,831 | 1 | |
| 479 | Other current assets | 7,525 | - | 6,852 | - | |
| 1XX | Total current assets | 8,919,332 | 68 | 9,237,073 | 66 | |
| | NON-CURRENT ASSETS | | | | | |
| 517 | Financial assets at fair value through other comprehensive income - | | | | | |
| | non-current (Notes 8 and 31) | 4,104 | - | 10,032 | - | |
| 600 | Property, plant and equipment (Notes 15 and 33) | 2,365,881 | 18 | 4,272,840 | 31 | |
| 755 | Right-of-use assets (Note 16) | 12,319 | - | 10,455 | - | |
| 760 | Investment properties, net (Notes 17 and 33) | 1,773,852 | 14 | 422,905 | 3 | |
| 801 | Computer software, net | 825 | - | 1,149 | - | |
| 840 | Deferred tax assets (Note 27) | 10,452 | - | 10,386 | - | |
| 94D | Long-term finance lease receivables, net | 15,625 | - | - | - | |
| 920 | Refundable deposits | 4,926 | - | <u>17,178</u> | | |
| 5XX | Total non-current assets | 4,187,984 | 32 | 4,744,945 | 34 | |
| XXX | Total assets | <u>\$ 13,107,316</u> | <u>100</u> | \$ 13,982,018 | <u>100</u> | |
| Code | LIABILITIES AND EQUITY | | | | | |
| | CURRENT LIABILITIES | | | | | |
| 100 | Short-term borrowings (Notes 18 and 33) | \$ 2,297,230 | 18 | \$ 2,628,410 | 19 | |
| 110 | Short-term bills payable (Notes 18 and 33) | - | - | 845,910 | 6 | |
| 130 | Contract liabilities - current (Notes 10 and 25) | 314,433 | 2 | 315,817 | 2 | |
| 150 | Notes payable | 7,522 | - | 46,706 | - | |
| 170 | Accounts payable (Note 19) | 137,289 | 1 | 185,588 | 1 | |
| 219 | Other payables (Note 20) | 103,005 | 1 | 111,474 | 1 | |
| 230 | Current tax liabilities (Note 27) | 36,042 | - | 4,522 | - | |
| 250 | Provisions - current (Note 21) | 2,977 | - | 2,977 | - | |
| 280 | Lease liabilities - current (Note 16) | 9,985 | - | 2,854 | - | |
| 2320 | Current portion of long-term borrowings (Notes 18 and 33) | 144,996 | 1 | 212,499 | 2 | |
| 399 | Other current liabilities | 59,444 | <u>l</u> | 50,625 | <u>l</u> | |
| 21XX | Total current liabilities | 3,112,923 | 24 | 4,407,382 | 32 | |
| | NON-CURRENT LIABILITIES | | | | | |
| 2540 | Long-term borrowings (Notes 18 and 33) | 1,622,090 | 12 | 2,114,795 | 15 | |
| 580 | Lease liabilities - non-current (Note 16) | 27,419 | - | 7,760 | - | |
| 640 | Net defined benefit liabilities - non-current (Note 22) | 11,081 | - | 12,318 | - | |
| 2645 | Guarantee deposits | 7,416 | | 1,424 | | |
| 25XX | Total non-current liabilities | 1,668,006 | 12 | 2,136,297 | 15 | |
| 2XXX | Total liabilities | 4,780,929 | <u>36</u> | 6,543,679 | 47 | |
| | EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Note 24) | | | | | |
| 116 | Capital stock | A 0 - A 1 - A | •• | A 0 - A 1 - A | | |
| 3110 | Ordinary shares | 2,852,450 | 22 | 2,852,450 | 20 | |
| 2210 | Capital surplus | 20.004 | | 20.004 | | |
| 3210 | Shares premium | 20,894 | - | 20,894 | - | |
| 3220 | Treasury shares transactions | 236 | | 236 | | |
| 200 | Total capital surplus | 21,130 | | 21,130 | | |
| 210 | Retained earnings | 072.014 | 0 | 040.050 | 7 | |
| 310 | Legal reserve | 972,814 | 8 | 948,358 | 1 | |
| 320 | Special reserve | 966 | - | 966 | - | |
| 350 | Unappropriated earnings | 4,479,027 | $ \begin{array}{r} 34 \\ \hline 42 \\ \hline 64 \end{array} $ | 3,615,435 | $ \begin{array}{r} \underline{26} \\ \underline{33} \\ \underline{53} \end{array} $ | |
| 300 | Total retained earnings | 5,452,807 | <u>42</u> | 4,564,759 | <u>33</u> | |
| 1XX | Total equity attributable to owners of the company | 8,326,387 | <u>64</u> | 7,438,339 | 53 | |
| | | 0.226.207 | 64 | 7 420 220 | 50 | |
| XXX | Total equity | 8,326,387 | <u>64</u> | 7,438,339 | 53 | |

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

Founding Construction Development Corp. and Subsidiaries

Consolidated Statements of Comprehensive Income For the years ended December 31, 2021 and 2020 Unit: NT\$ thousands, except for earnings per share (in NT\$)

| | | 2021 | | 2020 | |
|--------------|---|------------------------------|--------------------|------------------------|-----------|
| Code | | Amount | % | Amount | % |
| | OPERATING REVENUE (Notes 25 and 38) | | | | |
| 4300 4410 | Rental revenue Hospitality service | \$ 9,533 | - | \$ 8,881 | - |
| | revenue | 280,802 | 8 | 338,929 | 9 |
| 4500 4000 | Construction revenue Total operating | 3,481,805 | <u>92</u> | 3,487,088 | <u>91</u> |
| | revenue | 3,772,140 | <u>100</u> | 3,834,898 | 100 |
| | OPERATING COSTS (Notes 10 and 26) | | | | |
| 5300 | Rental costs | (6,878) | - | (6,340) | - |
| 5410 | Hospitality service cost | (284,506) | (7) | (317,808) | (8) |
| 5500 | Construction costs | (2,399,985) | $(\underline{64})$ | (2,910,142) | (-76) |
| 5000 | Total operating costs | $(\underline{2,691,369})$ | (<u>71</u>) | (_3,234,290) | (84) |
| 5900 | Gross Profit | 1,080,771 | 29 | 600,608 | 16 |
| 6000 | OPERATING EXPENSES (Note 26) | (286,715) | (<u>8</u>) | (287,190) | (8) |
| 6900 | Net Operating Income | <u>794,056</u> | 21 | 313,418 | 8 |
| 7100 | NON-OPERATING INCOME AND EXPENSES (Note 26) Interest Income | 238 | - | 217 | - |
| 7010 | Other income | 17,329 | - | 16,378 | - |
| 7020 7050 | Other gains and losses Finance costs | 346,838 (<u>11,222</u>) | 9 | (15,547) (41,611) | (1) |
| 7000 | Total non-operating income and | (| | (41,011) | (1) |
| | expenses | 353,183 | 9 | (40,563) | (1) |
| 7900 | Net income before tax | 1,147,239 | 30 | 272,855 | 7 |
| 7950 | Income tax expense (Note 27) | (85,304) | (2) | (30,097) | (1) |
| 8200 | NET PROFIT/(LOSS) FOR THE YEAR | 1,061,935 | 28 | 242,758 | 6 |
| (Contin | ued on the next page) | | | | |

Attachment III

(Continued from the previous page)

| (Comm | aca nom the provious page) | 2021 | | 2020 | | | |
|--------------|--|-----------------|--------------|--------------|-----------------|---------|--------------|
| Code | | A | mount | % | A | mount | % |
| | OTHER COMPREHENSIVE INCOME (LOSS) (Notes 21 and 27) | | | | | | |
| 8310 | Items that will not be reclassified subsequently to profit or loss | | | | | | |
| 8311 | Remeasurement of defined benefit plans | \$ | 1,135 | | \$ | 2,246 | |
| 8349 | Income tax relating to items that will not be reclassified subsequently to | Φ | 1,133 | - | Ψ | 2,240 | - |
| 8300 | profit or loss Other comprehensive income for the year, net of | (| 227) | | (| 449) | |
| | income tax | | 908 | _ | | 1,797 | _ |
| 8500 | TOTAL COMPREHENSIVE INCOME FOR THE YEAR | <u>\$ 1.</u> | 062,843 | 28 | <u>\$</u> | 244,555 | <u>6</u> |
| | EARNINGS PER SHARE (Note 28) From continuing operations | | | | | | |
| 9710 9810 | Basic Diluted | <u>\$</u> \$ | 3.72 3.72 | | <u>\$</u> \$ | 0.85 | <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

Founding Construction Development Corp. and Subsidiaries

Consolidated Statements of Changes in Equity For the years ended December 31, 2021 and 2020 Unit: NT\$ thousands

| EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY | | | | | | | | | |
|--|---|----------------|---------------------|------------------|-----------------|-------------------|-------------------|---------------------|----------------|
| | | Capita | al stock | Capital | surplus | | Retained earnings | | |
| Code | | Shares | _ | | Treasury shares | | | Unappropriated | |
| | | (In Thousands) | Ordinary shares | Shares premium | transactions | Legal reserve | Special reserve | earnings | Total equity |
| A1 | Balance as of January 1, 2020 | 285,245 | \$ 2,852,450 | \$ 20,894 | \$ 236 | \$ 938,925 | \$ 966 | \$ 3,522,936 | \$ 7,336,407 |
| | Appropriation and distribution of earnings for 2019 | | | | | | | | |
| B1 | Legal reserve | - | - | - | - | 9,433 | - | (9,433) | - |
| B5 | Cash dividends to | | | | | | | | |
| | shareholders | - | - | - | - | - | - | (142,623) | (142,623) |
| D1 | Consolidated net income for 2020 | - | - | - | - | - | - | 242,758 | 242,758 |
| D3 | AFTER-TAX OTHER COMPREHENSIVE INCOME for 2020 | _ | _ | _ | _ | _ | _ | 1,797 | 1,797 |
| | | | | | | | | | |
| D5 | Total comprehensive income in 2020 | - | _ | _ | - | - | _ | 244,555 | <u>244,555</u> |
| Z 1 | Balance as of December 31, 2020 | 285,245 | 2,852,450 | 20,894 | 236 | 948,358 | 966 | 3,615,435 | 7,438,339 |
| D1 | Appropriation and distribution of earnings for 2020 | | | | | 24.456 | | (24.456) | |
| B1 B5 | Legal reserve Cash dividends to | - | - | - | - | 24,456 | - | (24,456) | - |
| БЭ | shareholders | - | - | - | - | - | - | (171,147) | (171,147) |
| Q1 | Disposal of investments in equity instruments at FVTOCI | _ | - | - | - | - | - | (3,648) | (3,648) |
| D1 | Consolidated net income for 2021 | - | - | - | - | - | - | 1,061,935 | 1,061,935 |
| D3 | AFTER-TAX OTHER COMPREHENSIVE INCOME for 2021 | | <u>-</u> _ | | | <u>-</u> | <u>-</u> | 908 | 908 |
| D5 | Total comprehensive income in 2021 | _ | <u>-</u> | _ | | _ | <u> </u> | 1,062,843 | 1,062,843 |
| Z 1 | Balance as of December 31, 2021 | 285,245 | <u>\$ 2,852,450</u> | <u>\$ 20,894</u> | <u>\$ 236</u> | <u>\$ 972,814</u> | <u>\$ 966</u> | <u>\$ 4,479,027</u> | \$8,326,387 |

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

Founding Construction Development Corp. and Subsidiaries Consolidated Statements of Cash Flows For the years ended December 31, 2021 and 2020 Unit: NT\$ thousands

| Code | | | 2021 | | 2020 |
|-----------|---------------------------------------|----|-----------|----|------------------|
| | CASH FLOWS FROM OPERATING | | | | |
| | ACTIVITIES | | | | |
| A10000 | Income before income tax for the year | \$ | 1,147,239 | \$ | 272,855 |
| A20010 | Adjustments for: | | | | |
| A20100 | Depreciation expenses | | 90,599 | | 88,486 |
| A20200 | Amortization expenses | | 438 | | 595 |
| A20400 | Loss (gain) on fair value changes | | | | |
| | of financial assets and liabilities | | | | |
| | at fair value through profit or | | | | |
| | loss | | 5,327 | (| 436) |
| A20900 | Finance costs | | 11,222 | | 41,611 |
| A21200 | Interest Income | (| 238) | (| 217) |
| A21300 | Dividend income | (| 2,470) | (| 163) |
| A22500 | Gain on disposal of property, plant | | | | |
| | and equipment | (| 352,212) | (| 286) |
| A23100 | Disposal of financial instruments | | | | |
| | at fair value through profit or | | | | |
| | loss | (| 1,888) | (| 392) |
| A29900 | Loss on sublease of right-of-use | | | | |
| | assets | | 4,334 | | - |
| A23700 | Loss on write-downs of | | | | |
| | inventories | | 3,773 | | 13,959 |
| A30000 | Changes in operating assets and | | | | |
| | liabilities | | | | |
| A31130 | Notes receivable | (| 16,560) | | - |
| A31150 | Accounts Receivable | | 57,122 | (| 28,213) |
| A31200 | Inventories | | 41 | | 991,257 |
| A31230 | Prepayments | | 46,432 | | 33,658 |
| A31240 | Other current assets | (| 674) | | 1,997 |
| A31250 | Other financial assets | (| 85,057) | (| 20,694) |
| A32125 | Contract liabilities – current | (| 1,384) | (| 300,702) |
| A32130 | Notes payable | (| 39,185) | (| 1,000) |
| A32150 | Accounts payable | (| 48,299) | (| 15,962) |
| A32180 | Other payables | (| 6,331) | | 9,713 |
| A32230 | Other current liabilities | | 8,820 | | 6,676 |
| A32240 | Net defined benefit liabilities - | | | , | |
| | non-current | (_ | 102) | (| 1,069) |
| A33000 | Cash generated from/(used in) | | 000 017 | | 1 001 672 |
| . 22 - 22 | operations | , | 820,947 | , | 1,091,673 |
| A33500 | Income taxes paid | (_ | 53,772) | (| 30,072) |
| AAAA | Net cash generated from operating | | 765 155 | | 1.061.601 |
| | activities | | 767,175 | | <u>1,061,601</u> |

(Continued on the next page)

(Continued from the previous page)

| Code | | 2021 | | 2020 | |
|------------------|--|------|-----------------|-----------|-------------------|
| | CASH FLOWS FROM INVESTING | | | | |
| | ACTIVITIES | | | | |
| B00100 | Acquisition of financial assets at fair | | | | |
| | value through profit or loss | (\$ | 405,547) | (\$ | 10,068) |
| B00020 | Disposal of financial assets at fair value | | | | |
| | through other comprehensive income | | 2,280 | | - |
| B00030 | Proceeds from capital reduction of | | | | |
| | financial assets at fair value through | | | | |
| | other comprehensive income | | ,,660 | | |
| B00200 | Disposal of financial assets at fair value | | | | 40.450 |
| D.02=00 | through profit or loss | | 337,421 | | 10,459 |
| B02700 | Purchase of property, plant and | | 50.054 \ | | - (00) |
| D02000 | equipment | (| 53,254) | (| 5,600) |
| B02800 | Proceeds from disposal of property, plant | | 1.752.100 | | 206 |
| D02000 | and equipment | | 1,753,190 | | 286 |
| B03800 | Decrease in refundable deposits | (| 12,209 | , | 5,124 |
| B04500 | Purchase of intangible assets | (| 114) | (| 550) |
| B05400 | Purchase of investment properties Decrease in finance lease receivables | | - | (| 11,076) |
| B06100 | | | 996 201 | | 217 |
| B07500 B07600 | Interest received Dividends received from others | | 2,470 | | 217 163 |
| BBBB | Net cash generated from/(used in) | | 2,470 | | 103 |
| ממממ | investing activities | | 1,650,512 | (| 11,045) |
| | investing activities | | 1,030,312 | (| 11,045) |
| | CASH FLOWS FROM FINANCING | | | | |
| | ACTIVITIES | | | | |
| C00100 | Increase in short-term borrowings | | 930,900 | | 1,044,860 |
| C00200 | Decrease in short-term borrowings | (| 1,262,080) | (| 1,730,910) |
| C00500 | (Decrease) Increase in short-term bills | | | | |
| | payable | (| 845,910) | | 314,571 |
| C01600 | Proceeds from long-term borrowings | | 300,000 | | 227,000 |
| C01700 | Repayments of long-term borrowings | (| 860,207) | (| 645,852) |
| C03000 | Increase (Decrease) in guarantee deposits | | | | |
| ~~ | received | | 5,992 | (| 891) |
| C04020 | Payments of lease liabilities | (| 9,944) | (| 2,909) |
| C04500 | Dividends paid to owners of the | , | 171 147 | , | 1.40.(02) |
| C05(00 | Company | (| 171,147) | (| 142,623) |
| C05600 | Interest paid | | 12,646) | | 44,641) |
| CCCC | Net cash used in financing activities | (| 1,925,042) | (| 981,395) |
| EEEE | INCREASE IN CASH AND CASH | | | | |
| LLLL | EQUIVALENTS FOR THE YEAR | | 492,645 | | 69,161 |
| | | | - - | | y- ~ * |
| E00100 | CASH AND CASH EQUIVALENTS, | | | | |
| | BEGINNING OF YEAR | | 519,169 | | 450,008 |
| | | | | | |
| E00200 | CASH AND CASH EQUIVALENTS, END | | | | |
| | OF YEAR | \$ | 1,011,814 | <u>\$</u> | 519,169 |

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

Deloitte.

勤業眾信

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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, 2021 and 2020, 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, 2021 and 2020, 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, 2021. 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, 2021 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\$7,313,084 thousand, NT\$4,207,063 thousand, and NT\$116,963 thousand, respectively, representing 90% of the total assets as of December 31, 2021. 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, if such disclosures are inadequate, to modify our opinion. 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.

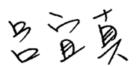
We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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, 2021 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.

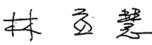
Deloitte & Touche

LU I-CHEN, CPA





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

Founding Construction Development Corp.

Parent Company Only Balance Sheet December 31, 2021 and 2020 Unit: NT\$ thousands

| | | December 31, 2 | 021 | December 31, 2020 | | |
|------|--|----------------------|------------------------|----------------------|----------------|--|
| Code | ASSETS | Amount | % | Amount | % | |
| | CURRENT ASSETS | | | | | |
| 1100 | Cash and cash equivalents (Note 6) | \$ 543,299 | 4 | \$ 292,132 | 2 | |
| 1110 | Financial assets at fair value through profit or loss - current (Note 7) | 8,471 | - | 2,856 | - | |
| 1150 | Notes receivable | 16,560 | - | - | - | |
| 1170 | Accounts receivable (Note 21) | 830 | - | 18,741 | - | |
| 1197 | Finance lease receivables, net - current (Note 28) | 638 | - | 624 | - | |
| 1220 | Current tax assets (Note 23) | - | - | 304 | - | |
| 130X | Inventories (Notes 8 and 29) | 7,313,084 | 57 | 8,376,286 | 61 | |
| 1410 | Prepayments (Note 9) | 12,633 | - | 50,331 | 1 | |
| 1476 | Other financial assets - current (Note 29) | 186,277 | 2 | 106,794 | 1 | |
| 1479 | Other current assets | 7,644 | | 6,586 | | |
| 11XX | Total current assets | 8,089,436 | <u>63</u> | 8,854,654 | <u>65</u> | |
| | NON-CURRENT ASSETS | | | | | |
| 1550 | Investments accounted for using the equity method (Note 10) | 461,774 | 3 | 228,041 | 1 | |
| 1600 | Property, plant and equipment (Notes 11 and 29) | 122,428 | 1 | 97,885 | 1 | |
| 1755 | Right-of-use assets (Note 12) | 1,385 | - | 2,309 | - | |
| 1760 | Investment properties, net (Notes 13 and 29) | 4,207,063 | 33 | 4,479,825 | 33 | |
| 1840 | Deferred tax assets (Note 23) | 10,321 | - | 10,247 | - | |
| 194D | Long-term finance lease receivables, net (Note 28) | 1,828 | - | 2,466 | - | |
| 1920 | Refundable deposits | 2,311 | <u> </u> | 14,358 | | |
| 15XX | Total non-current assets | 4,807,110 | <u>37</u> | 4,835,131 | <u>35</u> | |
| 1XXX | Total assets | <u>\$ 12,896,546</u> | <u>100</u> | <u>\$ 13,689,785</u> | <u>_100</u> | |
| Code | LIABILITIES AND EQUITY | | | | | |
| | CURRENT LIABILITIES | | | | | |
| 2100 | Short-term borrowings (Notes 14 and 29) | \$ 2,212,730 | 17 | \$ 2,573,910 | 19 | |
| 2110 | Short-term bills payable (Note 14) | - | - | 845,910 | 6 | |
| 2130 | Contract liabilities - current (Note 21) | 314,433 | 2 | 315,817 | 2 | |
| 2150 | Notes payable | 90 | - | 571 | - | |
| 2160 | Notes payable to related parties (Note 28) | 15,750 | - | 48,300 | = | |
| 2170 | Accounts payable (Note 15) | 83 | - | 1,933 | - | |
| 2180 | Accounts payable to related parties (Notes 15 and 28) | 215,650 | 2 | 154,224 | 1 | |
| 2230 | Current tax liabilities (Note 23) | 34,328 | - | , <u>-</u> | - | |
| 2280 | Lease liabilities - current (Note 12) | 2,214 | - | 2,166 | - | |
| 2219 | Other payables (Notes 16 and 28) | 59,625 | 1 | 65,717 | 1 | |
| 2250 | Provisions - current (Note 17) | 1,106 | - | 1,106 | - | |
| 2320 | Current portion of long-term borrowings (Notes 14 and 29) | 141,010 | 1 | 209,201 | 2 | |
| 2399 | Other current liabilities | 19,096 | <u>-</u> _ | 16,247 | <u>-</u> _ | |
| 21XX | Total current liabilities | 3,016,115 | 23 | 4,235,102 | 31 | |
| | NON-CURRENT LIABILITIES | | | | | |
| 2580 | Lease liabilities - non-current (Note 12) | 4,133 | _ | 6,347 | _ | |
| 2540 | Long-term borrowings (Notes 14 and 29) | 1,526,850 | 12 | 1,986,287 | 15 | |
| 2640 | Net defined benefit liabilities - non-current (Note 18) | 10,428 | - | 11,624 | - | |
| 2645 | Guarantee deposits | 12,633 | _ | 12,086 | _ | |
| 25XX | Total non-current liabilities | 1,554,044 | 12 | 2,016,344 | 15 | |
| 2XXX | Total liabilities | 4,570,159 | <u>35</u> | 6,251,446 | <u>46</u> | |
| | EQUITY (Note 20) | | | | | |
| | Capital stock | | | | | |
| 3110 | Ordinary shares | 2,852,450 | 22 | 2,852,450 | 21 | |
| 3110 | Capital surplus | 2,032,430 | | 2,032,430 | | |
| 3210 | Shares premium | 20,894 | _ | 20,894 | _ | |
| 3220 | Treasury shares transactions | 236 | _ | 236 | _ | |
| 3200 | Total capital surplus | 21,130 | | 21,130 | | |
| 3200 | Retained earnings | | | | · | |
| 3310 | Legal reserve | 972,814 | 8 | 948,358 | 7 | |
| 3320 | Special reserve | 966 | - | 966 | - | |
| 3350 | Unappropriated earnings | 4,479,027 | <u>35</u> | 3,615,435 | 26 | |
| 3300 | Total retained earnings | 5,452,807 | 43 | 4,564,759 | 33 | |
| 3XXX | Total equity | 8,326,387 | <u>43</u> <u>65</u> | 7,438,339 | 26 33 54 | |
| | Total liabilities and equity | <u>\$ 12,896,546</u> | 100 | <u>\$ 13,689,785</u> | 100 | |
| | | | | | | |

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

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

Founding Construction Development Corp.

Parent Company Only Statements of Comprehensive Income For the years ended December 31, 2021 and 2020 Unit: NT\$ thousands, except for earnings per share (in NT\$)

| | | 2021 | | 2020 | |
|--------------|--|------------------------|--------------------|-------------|--------------------|
| Code | | Amount | % | Amount | % |
| | OPERATING REVENUE | | | | |
| 4200 | (Notes 21 and 28) | Φ 06.413 | 2 | Φ (7.07.6 | 2 |
| 4300 | Rental revenue | \$ 86,413 | 2 | \$ 67,976 | 2 |
| 4500 4000 | Construction revenue | 3,481,805 | <u>98</u> | 3,440,165 | <u>98</u> |
| 4000 | Total operating revenue | 3,568,218 | 100 | 3,508,141 | 100 |
| | | | | | |
| | OPERATING COSTS (Notes 8 and 28) | | | | |
| 5300 | Rental costs | (75,802) | (2) | (80,826) | (2) |
| 5500 | Construction costs | (2,481,732) | (-70) | (2,924,567) | (<u>84</u>) |
| 5000 | Total operating costs | (2,557,534) | $(\underline{72})$ | (3,005,393) | $(\underline{86})$ |
| 5900 | Gross Profit | 1,010,684 | 28 | 502,748 | 14 |
| 6000 | Operating expenses (Note 22) | (194,600) | (<u>5</u>) | (195,509) | (<u>5</u>) |
| 6900 | Net Operating Income | 816,084 | 23 | 307,239 | 9 |
| | NON-OPERATING INCOME | | | | |
| 7100 | AND EXPENSES (Note 22) Interest income | 193 | | 197 | |
| 7100 7010 | Other income | 361 | _ | 1,757 | - |
| 7010 | Other gains and losses | 359,881 | 10 | (15,564) | _ |
| 7050 | Finance costs | (8,275) | - | (39,128) | (1) |
| 7070 | Shares of profits of subsidiaries, associates and joint ventures accounted for using the | (3,_, 1 | | (2,,-1, | (- / |
| | equity method | (26,573) | (<u>1</u>) | 7,658 | |
| 7000 | Total non-operating | | | | |
| | income and expenses | 325,587 | 9 | (45,080) | (<u>1</u>) |
| | сирениев | <u> </u> | | (| () |
| 7900 | Net income before tax for the year | 1,141,671 | 32 | 262,159 | 8 |
| | • | | | • | |
| 7950 | Income tax expense (Note 23) | $(\underline{}79,736)$ | (2) | (19,401) | (1) |
| 8200 | NET INCOME (LOSS) FOR THE YEAR | 1,061,935 | 30 | 242,758 | 7 |
| (Contin | ued on the next page) | | | | |

Attachment III (Continued from the previous page)

| | | 2021 | | | 2020 | | |
|--------------|--|-----------------|--------------|----------------|-----------------|--------------|--------------|
| Code | | A | mount | % | Aı | nount | % |
| 8310 | OTHER COMPREHENSIVE INCOME/(LOSS) Items that will not be reclassified subsequently to profit or loss | | | | | | |
| 8311 | Remeasurement of defined benefit plans | \$ | 1,094 | _ | \$ | 203 | _ |
| 8330 | Shares of other comprehensive income of subsidiaries, associates and joint ventures accounted for using the equity | | | | | | |
| 8349 | method Income tax relating to items that will not be reclassified | | 33 | - | | 1,635 | - |
| 8300 | subsequently to profit or loss Other comprehensive income for the | (| 219) | - _ | (| 41) | |
| | year, net of income tax | | 908 | _ | | 1,797 | - |
| 8500 | TOTAL COMPREHENSIVE INCOME FOR THE YEAR | <u>\$ 1,</u> | 062,843 | <u>30</u> | <u>\$ 2</u> | 244,555 | |
| | EARNINGS PER SHARE (Note 24) | | | | | | |
| 9710 9810 | Basic Diluted | <u>\$</u> \$ | 3.72 3.72 | | <u>\$</u> \$ | 0.85 0.85 | |

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.

Parent Company Only Statements of Changes in Equity For the years ended December 31, 2021 and 2020 Unit: NT\$ thousands

| | | Capital stock | | Capital surplus | | Retained earnings | | | |
|------------|--|----------------|---------------------|------------------|-----------------|-------------------|-----------------|---------------------|----------------|
| Code | | Shares | | | Treasury shares | | | Unappropriated | |
| | | (In Thousands) | Ordinary shares | Shares premium | transactions | Legal reserve | Special reserve | earnings | Total equity |
| A1 | Balance as of January 1, 2020 | 285,245 | \$ 2,852,450 | \$ 20,894 | \$ 236 | \$ 938,925 | \$ 966 | \$ 3,522,936 | \$ 7,336,407 |
| B1 | Appropriation and distribution of earnings for 2019 Legal reserve | | | | | 9,433 | | (9,433) | |
| B5 | Cash dividends to shareholders | - - | - - | - - | - - | - | - - | (142,623) | (142,623) |
| D.1 | | | | | | | | | |
| D1 | Net income for 2020 | - | - | - | - | - | - | 242,758 | 242,758 |
| D3 | AFTER-TAX OTHER COMPREHENSIVE INCOME for 2020 | _ | <u>-</u> _ | _ | | _ | _ | 1,797 | 1,797 |
| D5 | Total comprehensive income in 2020 | | <u> </u> | | | - | | <u>244,555</u> | <u>244,555</u> |
| Z 1 | Balance as of December 31, 2020 | 285,245 | 2,852,450 | 20,894 | 236 | 948,358 | 966 | 3,615,435 | 7,438,339 |
| B1 | Appropriation and distribution of earnings for 2020 Legal reserve | - | - | - | - | 24,456 | - | (24,456) | - |
| В5 | Cash dividends to shareholders | - | - | - | - | - | - | (171,147) | (171,147) |
| Q1 | Disposal of investments in equity instruments at FVTOCI | - | - | - | - | - | - | (3,648) | (3,648) |
| D1 | Net income for 2021 | - | - | - | - | - | - | 1,061,935 | 1,061,935 |
| D3 | AFTER-TAX OTHER COMPREHENSIVE INCOME for 2021 | _ | <u>-</u> _ | _ | _ | _ | _ | 908 | 908 |
| D5 | Total comprehensive income in 2021 | - | <u>-</u> _ | _ | - | <u>-</u> | <u>-</u> _ | 1,062,843 | 1,062,843 |
| Z 1 | Balance as of December 31, 2021 | <u>285,245</u> | <u>\$ 2,852,450</u> | <u>\$ 20,894</u> | <u>\$ 236</u> | <u>\$ 972,814</u> | <u>\$ 966</u> | <u>\$ 4,479,027</u> | \$ 8,326,387 |

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.

Parent Company Only Statements of Cash Flows For the years ended December 31, 2021 and 2020 Unit: NT\$ thousands

| Code | | | 2021 | | 2020 |
|--------|--|------------|-----------|------------|-----------|
| | CASH FLOWS FROM OPERATING ACTIVITIES | | | | |
| A10000 | Net income before tax for the year | \$ | 1,141,671 | \$ | 262,159 |
| A20010 | Adjustments for: | | , | | , |
| A20100 | Depreciation expenses | | 78,637 | | 82,538 |
| A20200 | Amortization expenses | | _ | | 64 |
| A20400 | Net gain on fair value changes of | | | | |
| | financial assets and liabilities at | | | | |
| | fair value through profit or loss | (| 575) | (| 436) |
| A20900 | Finance costs | | 8,275 | ` | 39,128 |
| A21200 | Interest income | (| 193) | (| 197) |
| A22300 | Shares of profits of subsidiaries, | | , | | , |
| | associates and joint ventures | | | | |
| | accounted for using the equity | | | | |
| | method | | 26,573 | (| 7,658) |
| A22500 | Gain on disposal of property, plant | | , | | , , |
| | and equipment | | _ | (| 286) |
| A22700 | Gain on disposal of investment | | | | , |
| | properties | (| 351,934) | | _ |
| A23100 | Net gain on disposal of financial | (| | | |
| | assets | (| 4,884) | (| 392) |
| A23700 | Loss on write-downs of | (| 1,001) | | -,- |
| 120,00 | inventories | | 3,773 | | 13,959 |
| A30000 | Changes in operating assets and liabilities | | -, | | , |
| A31130 | Notes receivable | (| 16,560) | | _ |
| A31150 | Accounts receivable | | 17,911 | | 5,255 |
| A31200 | Inventories | (| 153,938) | | 1,001,511 |
| A31230 | Prepayments | | 37,698 | | 33,256 |
| A31240 | Other current assets | (| 1,058) | | 1,448 |
| A31250 | Other financial assets | (| 79,483) | (| 20,896) |
| A32125 | Contract liabilities – current | (| 1,384) | (| 300,702) |
| A32130 | Notes payable | Ì | 481) | (| 1,550) |
| A32140 | Notes payable - related parties | (| 32,550) | (| 1,313) |
| A32150 | Accounts payable | (| 1,850) | (| 10,320) |
| A32160 | Accounts payable - related parties | | 61,426 | | 5,674 |
| A32180 | Other payables | (| 6,426) | | 19,607 |
| A32230 | Other current liabilities | | 2,849 | | 13,435 |
| A32240 | Net defined benefit liabilities - | | , | | -) |
| | non-current | (| 102) | (| 1,068) |
| A33000 | Cash generated from/(used in) | \ <u> </u> | | \ <u> </u> | |
| | operations | | 727,395 | | 1,133,216 |
| A33500 | Income taxes paid | (| 45,397) | (| 21,988) |
| AAAA | Net cash generated from operating activities | (| 681,998 | (| 1,111,228 |
| | uctivities | | 001,770 | | 1,111,440 |

(Continued from the previous page)

| CASH FLOWS FROM INVESTING ACTIVITIES | Code | ed from the previous page) | 2021 | 2020 |
|--|----------------|-------------------------------|------------------|---------------|
| ACTIVITIES | Couc | CASH FLOWS FROM INVESTING | 2021 | |
| B00100 | | | | |
| Name | B00100 | | | |
| B00200 | Dooroo | | (\$ 118.493) | (\$ 10.068) |
| Through profit or loss 118,337 10,459 | B00200 | | (ψ 110,155) | (ψ 10,000) |
| B02700 | B00200 | | 118 337 | 10 459 |
| equipment | B02700 | - - | 110,557 | 10,137 |
| B02800 Proceeds from disposal of property, plant and equipment 1,788,693 286 286 247 6,657 248 2 | B 02700 | · · · | (41 342) | _ |
| Plant and equipment 1,788,693 286 | B02800 | | (41,542) | |
| B03800 Decrease in refundable deposits 12,047 6,657 | D 02000 | | 1 788 693 | 286 |
| B05400 | B03800 | | | |
| B06000 Decreases in finance lease receivables 131 90 | | | · | - |
| B07500 | | | | , |
| B07600 BBBB Dividends received from subsidiaries Net cash generated from investing activities 18,000 30,000 CASH FLOWS FROM FINANCING ACTIVITIES 1,766,513 37,679 C00100 Increase in short-term borrowings 751,300 835,560 C00200 Decrease in short-term borrowings (1,112,480) (1,501,310) C00500 (Decrease) Increase in short-term bills payable (845,910) 314,571 C01600 Proceeds from long-term borrowings 300,000 170,000 C01700 Repayments of long-term borrowings (827,628) (665,852) C03000 Increase (Decrease) in guarantee deposits received 547 (1,249) C04020 Payments of lease liabilities 2,331) 2,446) C04500 Dividends paid to owners of the Company (171,147) 142,623) C05400 Acquisition of ownership interests in subsidiaries (280,000) - C05600 Interest paid 9,695 36,045) CCCC Net cash used in financing activities 2,197,344 1,029,394 EEEE NET INCREASE IN CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR 292,132 172,619 E00100 CASH AND CASH EQUIVALENTS, END | | | | |
| CASH FLOWS FROM FINANCING | | | | |
| CASH FLOWS FROM FINANCING | | | 18,000 | |
| CASH FLOWS FROM FINANCING | рррр | | 1 766 512 | 27.670 |
| ACTIVITIES | | activities | 1,/00,313 | <u>37,079</u> |
| ACTIVITIES | | CASH ELOWS EDOM EINANCING | | |
| C00100 Increase in short-term borrowings 751,300 835,560 C00200 Decrease in short-term borrowings (1,112,480) (1,501,310) C00500 (Decrease) Increase in short-term bills payable (845,910) 314,571 C01600 Proceeds from long-term borrowings 300,000 170,000 C01700 Repayments of long-term borrowings (827,628) (665,852) C03000 Increase (Decrease) in guarantee deposits received 547 (1,249) C04020 Payments of lease liabilities (2,331) (2,446) C04500 Dividends paid to owners of the Company (171,147) (142,623) C05400 Acquisition of ownership interests in subsidiaries (280,000) - C05600 Interest paid (9,695) (36,045) CCCC Net cash used in financing activities (2,197,344) (1,029,394) EEEE NET INCREASE IN CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR 251,167 119,513 E00100 CASH AND CASH EQUIVALENTS, END 292,132 172,619 | | | | |
| C00200 Decrease in short-term borrowings (1,112,480) (1,501,310) C00500 (Decrease) Increase in short-term bills payable (845,910) 314,571 C01600 Proceeds from long-term borrowings 300,000 170,000 C01700 Repayments of long-term borrowings (827,628) (665,852) C03000 Increase (Decrease) in guarantee deposits received 547 (1,249) C04020 Payments of lease liabilities (2,331) (2,446) C04500 Dividends paid to owners of the Company (171,147) (142,623) C05400 Acquisition of ownership interests in subsidiaries (280,000) - C05600 Interest paid (9,695) (36,045) CCCC Net cash used in financing activities (2,197,344) (1,029,394) EEEE NET INCREASE IN CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR 251,167 119,513 E00100 CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR 292,132 172,619 | C00100 | | 751 300 | 835 560 |
| C00500 (Decrease) Increase in short-term bills payable (845,910) 314,571 C01600 Proceeds from long-term borrowings 300,000 170,000 C01700 Repayments of long-term borrowings (827,628) (665,852) C03000 Increase (Decrease) in guarantee deposits received 547 (1,249) C04020 Payments of lease liabilities (2,331) (2,446) C04500 Dividends paid to owners of the Company (171,147) (142,623) C05400 Acquisition of ownership interests in subsidiaries (280,000) - C05600 Interest paid (9,695) (36,045) CCCC Net cash used in financing activities (2,197,344) (1,029,394) EEEE NET INCREASE IN CASH AND CASH EQUIVALENTS, END 251,167 119,513 E00100 CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR 292,132 172,619 E00200 CASH AND CASH EQUIVALENTS, END | | | | - |
| Payable | | | (1,112,400) | (1,301,310) |
| C01600 Proceeds from long-term borrowings 300,000 170,000 C01700 Repayments of long-term borrowings (827,628) (665,852) C03000 Increase (Decrease) in guarantee 4665,852 C04020 Payments of lease liabilities (2,331) (2,446) C04500 Dividends paid to owners of the (2331) (142,623) C05400 Acquisition of ownership interests in subsidiaries (280,000) - C05600 Interest paid (9,695) (36,045) CCCC Net cash used in financing activities (2,197,344) (1,029,394) EEEE NET INCREASE IN CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR 251,167 119,513 E00100 CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR 292,132 172,619 E00200 CASH AND CASH EQUIVALENTS, END | C00300 | | (945 010) | 214 571 |
| C01700 Repayments of long-term borrowings (827,628) (665,852) C03000 Increase (Decrease) in guarantee deposits received 547 (1,249) C04020 Payments of lease liabilities (2,331) (2,446) C04500 Dividends paid to owners of the Company (171,147) (142,623) C05400 Acquisition of ownership interests in subsidiaries (280,000) - C05600 Interest paid (9,695) (36,045) CCCC Net cash used in financing activities (2,197,344) (1,029,394) EEEE NET INCREASE IN CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR 251,167 119,513 E00100 CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR 292,132 172,619 E00200 CASH AND CASH EQUIVALENTS, END | C01600 | ė · · | | - |
| C03000 Increase (Decrease) in guarantee deposits received 547 (1,249) C04020 Payments of lease liabilities (2,331) (2,446) C04500 Dividends paid to owners of the Company (171,147) (142,623) C05400 Acquisition of ownership interests in subsidiaries (280,000) - C05600 Interest paid (9,695) (36,045) CCCC Net cash used in financing activities (2,197,344) (1,029,394) EEEE NET INCREASE IN CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR 251,167 119,513 E00100 CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR 292,132 172,619 E00200 CASH AND CASH EQUIVALENTS, END | | | · · | |
| deposits received | | 1 0 | (827,028) | (003,832) |
| C04020 Payments of lease liabilities (2,331) (2,446) C04500 Dividends paid to owners of the Company (171,147) (142,623) C05400 Acquisition of ownership interests in subsidiaries (280,000) C05600 Interest paid (9,695) (36,045) CCCC Net cash used in financing activities (2,197,344) (1,029,394) EEEE NET INCREASE IN CASH AND CASH EQUIVALENTS FOR THE YEAR 251,167 119,513 E00100 CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR 292,132 172,619 | C03000 | | 5.47 | (1.240) |
| C04500 Dividends paid to owners of the Company (171,147) (142,623) C05400 Acquisition of ownership interests in subsidiaries (280,000) C05600 Interest paid (9,695) (36,045) CCCC Net cash used in financing activities (2,197,344) (1,029,394) EEEE NET INCREASE IN CASH AND CASH EQUIVALENTS FOR THE YEAR 251,167 119,513 E00100 CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR 292,132 172,619 | C04020 | <u> </u> | | , |
| Company C05400 Acquisition of ownership interests in subsidiaries C05600 Interest paid CCCC Net cash used in financing activities EEEE NET INCREASE IN CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR E00200 CASH AND CASH EQUIVALENTS, END CO5600 Interest paid (280,000) (36,045) (2,197,344) (1,029,394) E500200 CASH AND CASH EQUIVALENTS, END | | | (2,331) | (2,440) |
| C05400 Acquisition of ownership interests in subsidiaries (280,000) - C05600 Interest paid (9,695) (36,045) CCCC Net cash used in financing activities (2,197,344) (1,029,394) EEEE NET INCREASE IN CASH AND CASH EQUIVALENTS FOR THE YEAR 251,167 119,513 E00100 CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR 292,132 172,619 E00200 CASH AND CASH EQUIVALENTS, END | C04300 | | (171 147) | (142 (22) |
| Subsidiaries (280,000) - C05600 Interest paid (9,695) (36,045) CCCC Net cash used in financing activities (2,197,344) (1,029,394) EEEE NET INCREASE IN CASH AND CASH EQUIVALENTS FOR THE YEAR 251,167 119,513 E00100 CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR 292,132 172,619 E00200 CASH AND CASH EQUIVALENTS, END | C05400 | ± • | (1/1,14/) | (142,623) |
| CO5600 Interest paid (9,695) (36,045) CCCC Net cash used in financing activities (2,197,344) (1,029,394) EEEE NET INCREASE IN CASH AND CASH EQUIVALENTS FOR THE YEAR 251,167 119,513 E00100 CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR 292,132 172,619 E00200 CASH AND CASH EQUIVALENTS, END | C05400 | 1 1 | (200,000) | |
| CCCC Net cash used in financing activities (2,197,344) (1,029,394) EEEE NET INCREASE IN CASH AND CASH EQUIVALENTS FOR THE YEAR 251,167 119,513 E00100 CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR 292,132 172,619 E00200 CASH AND CASH EQUIVALENTS, END | C05600 | | | (26.045) |
| activities (_2,197,344) (_1,029,394) EEEE NET INCREASE IN CASH AND CASH EQUIVALENTS FOR THE YEAR 251,167 119,513 E00100 CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR 292,132 172,619 E00200 CASH AND CASH EQUIVALENTS, END | | 1 | (9,093) | (30,043) |
| EEEE NET INCREASE IN CASH AND CASH EQUIVALENTS FOR THE YEAR 251,167 119,513 E00100 CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR 292,132 172,619 E00200 CASH AND CASH EQUIVALENTS, END | CCCC | | (2.107.244) | (1.020.204) |
| EQUIVALENTS FOR THE YEAR 251,167 119,513 E00100 CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR 292,132 172,619 E00200 CASH AND CASH EQUIVALENTS, END | | activities | (2,197,344) | (1,029,394) |
| EQUIVALENTS FOR THE YEAR 251,167 119,513 E00100 CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR 292,132 172,619 E00200 CASH AND CASH EQUIVALENTS, END | CCCC | NET INCDEASE IN CASH AND CASH | | |
| E00100 CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR 292,132 172,619 E00200 CASH AND CASH EQUIVALENTS, END | EEEE | | 251 167 | 110 512 |
| BEGINNING OF YEAR 292,132 172,619 E00200 CASH AND CASH EQUIVALENTS, END | | EQUIVALENTS FOR THE YEAR | 231,107 | 119,313 |
| BEGINNING OF YEAR 292,132 172,619 E00200 CASH AND CASH EQUIVALENTS, END | F00100 | CASH AND CASH FOLIVALENTS | | |
| E00200 CASH AND CASH EQUIVALENTS, END | L00100 | | 202 132 | 172 610 |
| | | DEGITATIO OF TEAM | <u></u> | 1/2,017 |
| | E00200 | CASH AND CASH FOLIVALENTS END | | |
| $\frac{3}{2} \frac{3+3,277}{2} \frac{3}{2} \frac{272,132}{2}$ | E00200 | | \$ 542 200 | \$ 202 132 |
| | | OI ILAK | <u>Ψ 3π3,477</u> | <u> </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 2021

unit: NT\$

| | Amount | |
|--|---------------|-----------------|
| Beginning Retained Earnings | 3,420,798,796 | |
| Other Comprehensive Income recognized as | 907,637 | |
| Unappropriated Retained Eearnings | 907,037 | |
| Adjusted Beginning Retained Earnings | 3,421,706,433 | |
| Profit | 1,061,935,529 | |
| Legal reserve | (106,284,317) | |
| Distributable Net Profit | 4,377,357,645 | |
| Distributable Items | | |
| Shareholder Dividends (Cash) | (285,244,944) | NT\$1 per share |
| Total | (285,244,944) | |
| Unappropriated Retained Earnings | 4,092,112,701 | |

Note: preemptive distribution of 2021 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 6 | Article 6 | Amended in |
| Professional appraisers and their officers, | Professional appraisers and their officers, | accordeance |
| certified public accounts, attorneys, and | certified public accounts, attorneys, and | with the FSC, |
| securities underwriters that provide the | securities underwriters that provide the | Jin-Guan- |
| Company with appraisal reports, certified | Company with appraisal reports, certified | Cheng-Fa |
| public accountant's opinions, attorney's | public accountant's opinions, attorney's | Announcement |
| opinions, or underwriter's opinions shall | opinions, or underwriter's opinions shall | No.1110380465 |
| meet the following requirements: | meet the following requirements: | published on |
| | | Jan 28, 2022 |
| 3.If the Company is required to obtain | 3.If the Company is required to obtain | |
| appraisal reports from two or more | appraisal reports from two or more | |
| professional appraisers, the different | professional appraisers, the different | |
| professional appraisers or appraisal officers | professional appraisers or appraisal officers | |
| may not be related parties or de facto | may not be related parties or de facto | |
| related parties of each other. | related parties of each other. | |
| When issuing an appraisal report or | When issuing an appraisal report or | |
| opinion, the personnel referred to in the | opinion, the personnel referred to in the | |
| preceding paragraph shall comply with | preceding paragraph shall comply with the | |
| self-discipline standards of guilds to which | following: | |
| he/she belongs and the following: | 1.Prior to accepting a case, they shall | |
| 1. Prior to accepting a case, they shall | prudently assess their own professional | |
| prudently assess their own professional | capabilities, practical experience, and | |
| capabilities, practical experience, and | independence. | |
| independence. | | |
| 2. When <u>running</u> a case, they shall | 2. When <u>examining</u> a case, they shall | |
| appropriately plan and execute adequate | appropriately plan and execute adequate | |
| working procedures, in order to produce a | working procedures, in order to produce a | |
| conclusion and use the conclusion as the | conclusion and use the conclusion as the | |
| basis for issuing the report or opinion. The | basis for issuing the report or opinion. The | |
| related working procedures, data collected, | related working procedures, data collected, | |
| and conclusion shall be fully and accurately | and conclusion shall be fully and accurately | |
| specified in the case working papers. | specified in the case working papers. | |
| 3. They shall undertake an item-by-item | 3. They shall undertake an item-by-item | |
| evaluation of the <u>approrpriateness</u> and | evaluation of the <u>comprehensiveness</u> , | |
| reasonableness of the sources of data used, | <u>accuracy</u> , and reasonableness of the sources | |
| the parameters, and the information, as the | of data used, the parameters, and the | |
| basis for issuance of the appraisal report or | information, as the basis for issuance of the | |
| the opinion. | appraisal report or the opinion. | |
| 4. They shall issue a statement attesting to | 4. They shall issue a statement attesting to | |
| the professional competence and | the professional competence and | |
| independence of the personnel who | independence of the personnel who | |
| | prepared the report or opinion, and that they | |
| have evaluated and found that the | have evaluated and found that the | |
| information used is appropriate and | information used is reasonable and accurate, | |
| reasonable, and that they have complied | and that they have complied with applicable | |
| with applicable laws and regulations. | laws and regulations. | |

Article 7

The procedures for the acquisition or disposal of real property, equipment, or right-of-use assets thereof.

- 4. Appraisal reports of the real property, equipment, or right-of-use assets thereof In acquiring or disposing of real property, equipment, or right-of-use assets thereof where the transaction amount reaches 20 percent of the company's paid-in capital or NT\$300 million or more, the company, unless transacting with a domestic government agency, engaging others to build on its own land, engaging others to build on rented land, or acquiring or disposing of equipment or right-of-use assets thereof held for business use, shall obtain an appraisal report prior to the date of occurrence of the event from a professional appraiser and shall further comply with the following provisions: 1. Where due to special circumstances it is necessary to give a limited price, specified price, or special price as a reference basis for the transaction price, the transaction shall be submitted for approval in advance by the board of directors; the same procedure shall also be followed whenever there is any subsequent change to the terms and conditions of the transaction. 2. Where the transaction amount is NT\$1
- obtained. 3. Where any one of the following circumstances applies with respect to the professional appraiser's appraisal results, unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, a certified public accountant shall render a discrepancy and the appropriateness of the transaction price:

billion or more, appraisals from two or

more professional appraisers shall be

Article 7

The procedures for the acquisition or disposal of real property, equipment, or right-of-use assets thereof.

4. Appraisal reports of the real property, equipment, or right-of-use assets thereof In acquiring or disposing of real property, equipment, or right-of-use assets thereof where the transaction amount reaches 20 percent of the company's paid-in capital or NT\$300 million or more, the company, unless transacting with a domestic government agency, engaging others to build on its own land, engaging others to build on rented land, or acquiring or disposing of equipment or right-of-use assets thereof held for business use, shall obtain an appraisal report prior to the date of occurrence of the event from a professional appraiser and shall further comply with the following provisions: 1. Where due to special circumstances it is necessary to give a limited price, specified price, or special price as a reference basis for the transaction price, the transaction shall be submitted for approval in advance by the board of directors; the same procedure shall also be followed whenever there is any subsequent change to the terms and conditions of the transaction. 2. Where the transaction amount is NT\$1

obtained. 3. Where any one of the following circumstances applies with respect to the professional appraiser's appraisal results, unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, a certified public accountant shall be engaged specific opinion regarding the reason for the to perform the appraisal in accordance with the provisions of Statement of Auditing Standards No. 20 published by the ROC Accounting Research and Development Foundation (ARDF) and render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price:

billion or more, appraisals from two or

more professional appraisers shall be

Amended in accordeance with the FSC, Jin-Guan-Cheng-Fa Announcement No.1110380465 published on Jan 28, 2022

A. The discrepancy between the appraisal result and the transaction amount is 20 percent or more of the transaction amount. B. The discrepancy between the appraisal results of two or more professional appraisers is 10 percent or more of the transaction amount.

4. No more than 3 months may elapse between the date of the appraisal report issued by a professional appraiser and the contract execution date; provided, where the publicly announced current value for the same period is used and not more than 6 months have elapsed, an opinion may still be issued by the original professional appraiser.

Except where a limited price, specified price, or special price is employed by the Company, a construction enterprise as the reference basis for the transaction price, if an appraisal report cannot be obtained in time and there is a legitimate reason for the delay, the report shall be obtained within 2 weeks counting inclusively from the date of occurrence, and the certified public accountant's opinion under subparagraph 3 of the preceding paragraph shall be obtained within 2 weeks counting inclusively from the report receiving date.

5. Where the Company acquires or disposes of assets through court auction procedures, the evidentiary documentation issued by the the evidentiary documentation issued by the court may be substituted for the appraisal report or CPA opinion.

Article 8

The procedures for the acquisition or disposal of securities

- 1. Procedure for Evaluation and Operation The Compoany shall acquire and dispose long-term and short-term securities until a feasibility assessment report is made by the approved pursuant to the "Approval Authority Schedule" of the Company. 2. Procedure for Decision of Transaction Conditions and Authorized Amount
- (1) Security transaction on a centralized exchange market or an OTC market shall be determined by the responsible department based on the market trend; where the transaction amount is NT\$300 million or less, the Company shall obtain prior

A.The discrepancy between the appraisal result and the transaction amount is 20 percent or more of the transaction amount.

- B. The discrepancy between the appraisal results of two or more professional appraisers is 10 percent or more of the transaction amount.
- 4. No more than 3 months may elapse between the date of the appraisal report issued by a professional appraiser and the contract execution date; provided, where the publicly announced current value for the same period is used and not more than 6 months have elapsed, an opinion may still be issued by the original professional appraiser.

Except where a limited price, specified price, or special price is employed by the Company, a construction enterprise as the reference basis for the transaction price, if an appraisal report cannot be obtained in time and there is a legitimate reason for the delay, the report, and the certified public accountant's opinion under subparagraph 3 of the preceding paragraph, shall be obtained within 2 weeks counting inclusively from the date of occurrence.

5. Where the Company acquires or disposes of assets through court auction procedures, court may be substituted for the appraisal report or CPA opinion.

Article 8

The procedures for the acquisition or disposal of securities

- 1. Procedure for Evaluation and Operation The Compoany shall acquire and dispose long-term and short-term securities until a feasibility assessment report is made by the responsible department of the Company and responsible department of the Company and approved pursuant to the "Approval Authority Schedule" of the Company.
 - 2. Procedure for Decision of Transaction Conditions and Authorized Amount
 - (1) Security transaction on a centralized exchange market or an OTC market shall be determined by the responsible department based on the market trend; where the transaction amount is NT\$100 million or less, the Company shall obtain prior

Amended to meet the needs of business efficiency.

approval from the Chairpson, report to the board of directors at the most recent meeting after transaction and submit an unrealized profit/loss analysis of the long/short-term securities at the same time; where the transaction amount is more than NT\$300 million, the Company shall obtain prior approval from the board of directors. (2) Prices of security transaction on neither a centralized exchange market nor an OTC market shall be evaluated based on the latest audit report or financial statements of the target company prior to the date of occurrence. Financial indicators such as EPS, profitability and growth are taken into NT\$30 million or less, the Company shall obtain approval from the Chairperson and report to the board of directors at the most recent meeting after transaction and submit an unrealized profit/loss analysis of the long/short-term securities at the same time; where the transaction amount is less than NT\$30 million, the Company shall obtain prior approval from the board of directors.

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Article 9

Related-Party Transactions

1. When the Company engages in any acquisition or disposal of real property or the right-of-use assets thereof from or to a necessary resolutions are adopted and the reasonableness of the transaction terms is appraised, if the transaction amount reaches 10 percent or more of the company's total assets, the company shall also obtain an appraisal report from a professional appraiser or a CPA's opinion in compliance with Article 7 and 9 herein.

When judging whether a transaction counterparty is a related party, in addition to counterparty is a related party, in addition to legal formalities, the substance of the relationship shall also be considered. 2. Procedure for Evaluation and Operation When the Company intends to acquire or dispose of real property or right-of-use assets thereof from or to a related party, or

Article 9

Related-Party Transactions

1. When the Company engages in any acquisition or disposal of real property or the right-of-use assets thereof from or to a related party, in addition to ensuring that the related party, in addition to ensuring that the necessary resolutions are adopted and the reasonableness of the transaction terms is appraised, if the transaction amount reaches 10 percent or more of the company's total assets, the company shall also obtain an appraisal report from a professional appraiser or a CPA's opinion in compliance with Article 7 and 9 herein. The calculation of the transaction amount referred to in the preceding paragraph shall

be made in accordance with Article 8, paragraph 1 herein.

When judging whether a transaction legal formalities, the substance of the relationship shall also be considered. 2. Procedure for Evaluation and Operation When the Company intends to acquire or dispose of real property or right-of-use assets thereof from or to a related party, or

Amended in accordeance with the FSC, Jin-Guan-Cheng-Fa Announcement No.1110380465 published on Jan 28, 2022

when it intends to acquire or dispose of assets other than real property or right-of-use assets thereof from or to a related party and the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the company's total assets, or NT\$300 million or more, except in trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises, the company may not proceed to enter into a transaction contract or make a payment until the following matters have been approved by the audit committee and the board of directors:

- (1). The purpose, necessity and anticipated benefit of the acquisition or disposal of assets.
- (2). The reason for choosing the related party as a transaction counterparty.
- (3). With respect to the acquisition of real property or right-of-use assets thereof from a related party, information regarding appraisal of the reasonableness of the and 4.
- (4). The date and price at which the related party originally acquired the real property, the original transaction counterparty, and that transaction counterparty's relationship to the company and the related party.
- (5). Monthly cash flow forecasts for the year commencing from the anticipated month of signing of the contract, and evaluation of the necessity of the transaction, and reasonableness of the funds utilization.
- (6). An appraisal report from a professional appraiser or a CPA's opinion obtained in compliance with the preceding paragraph. 7. Restrictive covenants and other important stipulations associated with the transaction.

when it intends to acquire or dispose of assets other than real property or right-of-use assets thereof from or to a related party and the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the company's total assets, or NT\$300 million or more, except in trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises, the company may not proceed to enter into a transaction contract or make a payment until the following matters have been approved by the audit committee and the board of directors:

- (1). The purpose, necessity and anticipated benefit of the acquisition or disposal of assets.
- (2). The reason for choosing the related party as a transaction counterparty.
- (3). With respect to the acquisition of real property or right-of-use assets thereof from a related party, information regarding appraisal of the reasonableness of the preliminary transaction terms in accordance preliminary transaction terms in accordance with Article 9, paragraph 3, sub-paragraph 1 with Article 9, paragraph 3, sub-paragraph 1
 - (4). The date and price at which the related party originally acquired the real property, the original transaction counterparty, and that transaction counterparty's relationship to the company and the related party.
 - (5). Monthly cash flow forecasts for the year commencing from the anticipated month of signing of the contract, and evaluation of the necessity of the transaction, and reasonableness of the funds utilization.
 - (6). An appraisal report from a professional appraiser or a CPA's opinion obtained in compliance with the preceding paragraph. 7. Restrictive covenants and other important stipulations associated with the transaction. The calculation of the transaction amounts referred to in the preceding paragraph shall be made in accordance with Article 13, paragraph 1, sub-paragraph 4 herein, and "within the preceding year" as used herein refers to the year preceding the date of

occurrence of the current transaction. Items

With respect to the types of transactions listed below, when to be conducted between the Company and its subsidiaries, or between its subsidiaries in which it directly or indirectly holds 100 percent of the issued shares or authorized capital, the company's board of directors may pursuant to Article 7, paragraph 2 delegate the board chairman to decide such matters when the transaction is within a certain amount and have the decisions subsequently submitted to and ratified by the next board of directors meeting:

- right-of-use assets thereof held for business
- (2). Acquisition or disposal of real property right-of-use assets held for business use. The matters for which paragraph 1 requires recognition shall first be approved by one-half or more of all audit committee members and then submitted to the board of directors for a resolution, and shall be subject to mutatis mutandis application of Article 19, paragraphs 3 and 4. When the amount of transactions listed on paragaraph 1 between the Company and the subsidiaires of non-domestic public companies reaches 10 percent or more of the company's total assets, the Company may not proceed to enter into a transaction contract or make a payment until the information listed on paragraph 1 have been submitted and approved by the shareholder's meeting.

The calculation of the transaction amounts referred to in the first and preceding paragraph shall be made in accordance with Article 13, paragraph 1, sub-paragraph 2 herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items that have been approved and acknowledged by the shareholder's meeting, the audit committee and the board of directors need not be counted toward the transaction amount.

that have been approved and acknowledged by the audit committee and the board of directors need not be counted toward the transaction amount.

With respect to the types of transactions listed below, when to be conducted between the Company and its subsidiaries, or between its subsidiaries in which it directly or indirectly holds 100 percent of the issued shares or authorized capital, the company's board of directors may pursuant to Article 7, paragraph 2 delegate the board chairman to decide such matters when the transaction is within a certain amount and have the decisions subsequently submitted to and ratified by the next board of directors meeting:

- (1). Acquisition or disposal of equipment or (1). Acquisition or disposal of equipment or right-of-use assets thereof held for business
 - (2). Acquisition or disposal of real property right-of-use assets held for business use.

Article 10

The procedures for the acquisition or disposal of intangible assets or right-of-use assets thereof or membership

- 4. Expert evaluation report on intangible assets, right-of-use thereof or membership
- (1) Where the Company acquires or disposes of memberships and the transaction amount reaches 1 percent or more of paid-in capital or NT\$3 million or more, the Company shall obtain an appraisal report from a professional appraiser.
- (2) Where the Company acquires or disposes of intangible assets or right-of-use assets thereof and the transaction amount reaches 10 percent or more of paid-in capital or NT\$20 million or more, the Company shall obtain an appraisal report from a professional appraiser.
- (3) Where the Company acquires or disposes of intangible assets, right-of-use assets thereof or membership and the transaction amount reaches 20 percent or more of paid-in capital or NT\$300 million or more, except in transactions with a domestic government agency, the company shall engage a certified public accountant prior to the date of occurrence of the event to render an opinion on the reasonableness of the transaction price.

Article 10

The procedures for the acquisition or disposal of intangible assets or right-of-use assets thereof or membership

- 4. Expert evaluation report on intangible assets, right-of-use thereof or membership
- (1) Where the Company acquires or disposes of memberships and the transaction amount reaches 1 percent or more of paid-in capital or NT\$3 million or more, the Company shall obtain an appraisal report from a professional appraiser.
- (2) Where the Company acquires or disposes of intangible assets or right-of-use assets thereof and the transaction amount reaches 10 percent or more of paid-in capital or NT\$20 million or more, the Company shall obtain an appraisal report from a professional appraiser.
- (3) Where the Company acquires or disposes of intangible assets, right-of-use assets thereof or membership and the transaction amount reaches 20 percent or more of paid-in capital or NT\$300 million or more, except in transactions with a domestic government agency, the company shall engage a certified public accountant prior to the date of occurrence of the event to render an opinion on the reasonableness of the transaction price; the CPA shall comply with the provisions of Statement of Auditing Standards No. 20 published by the ARDF.

Amended in accordeance with the FSC, Jin-Guan-Cheng-Fa Announcement No.1110380465 published on Jan 28, 2022

Article 13

Public Disclosure of Information public company acquiring or disposing of assets shall publicly announce and report the relevant information on the FSC's designated website in the appropriate days counting inclusively from the date of occurrence of the event:

1.trading of domestic government bonds or foreign bonds with a credit rating not lower than the sovereign rating of the ROC.

2. Where done by professional investors-securities trading on securities Article 13

Public Disclosure of Information Under any of the following circumstances, a Under any of the following circumstances, a public company acquiring or disposing of assets shall publicly announce and report the relevant information on the FSC's designated website in the appropriate format as prescribed by regulations within 2 format as prescribed by regulations within 2 days counting inclusively from the date of occurrence of the event:

1.trading of domestic government bonds

2. Where done by professional investors-securities trading on securities

Amended in accordeance with the FSC, Jin-Guan-Cheng-Fa Announcement No.1110380465 published on Jan 28, 2022

Attachment V

exchanges or OTC markets, or subscription debentures without equity characteristics (excluding subordinated debt) that are subscription or redemption of securities or subscription or sellback of ETNs, or subscription by a securities firm of securities as necessitated by its undertaking business or as an advisory recommending securities firm for an emerging stock company, in accordance with the rules of the Taipei Exchange.

3. trading of bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.

exchanges or OTC markets, or subscription of ordinary corporate bonds or general bank of ordinary corporate bonds or general bank debentures without equity characteristics (excluding subordinated debt) that are offered and issued in the primary market, or offered and issued in the primary market, or subscription or redemption of securities investment trust funds or futures trust funds, investment trust funds or futures trust funds, or subscription by a securities firm of securities as necessitated by its undertaking business or as an advisory recommending securities firm for an emerging stock company, in accordance with the rules of the Taipei Exchange.

> 3.trading of bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.

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

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- 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

Appendix I

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.
- 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

Appendix I

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.
- Article2: 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.
- Article4: 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 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

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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

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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.

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 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

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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 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 is 12,000,000 shares.
- 3. A list of the number of shares held by all directors recorded in the shareholder register as of April 11, 2022, 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 Elected | Term of Service | Shareholding when Elected | | Shareholding on book closure date | |
|-------------------------|--|-----------------|-----------------------|---------------------------|--------|-----------------------------------|--------|
| | | | | 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% | 190,760 | 0.07% |
| | Total | | | 32,383,727 | 11.35% | 32,377,727 | 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.