Stock Code: 5533

FOUNDING CONSTRUCTION DEVELOPMENT CORP.

General Shareholders' Meeting 2023 Meeting Handbook

Meeting Date: June 9, 2023 Meeting Place: No. 152, Sec. 1, Datong Rd., Xizhi Dist., New Taipei City

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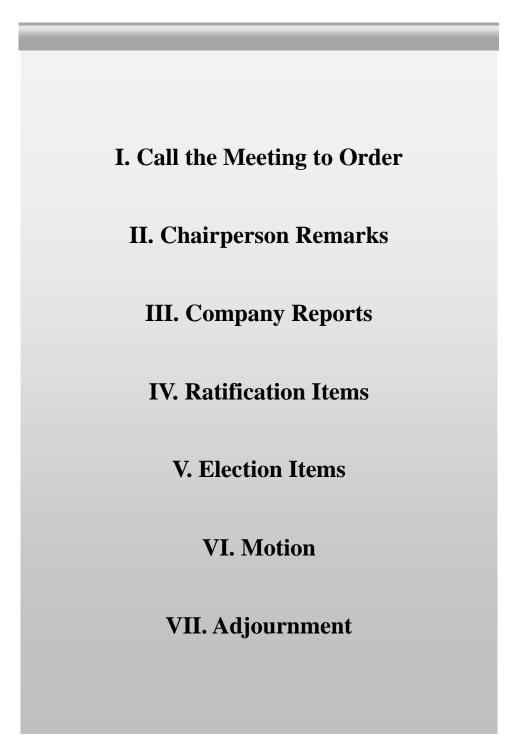
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Founding Construction Development Corp. Procedure for General Shareholders' Meeting 2023



Founding Construction Development Corp. Meeting Agenda of General Shareholders' Meeting 2023

Time: 9:00a.m June 9, 2023 (Thursday)

Place : No. 152, Sec. 1, Datong Rd., Xizhi Dist., New Taipei City

Meeting Type: In-Person Meeting

- I. Call the Meeting to Order (report the number of shares represented by attending shareholders)
- II. Chairperson Remarks
- III. Company Reports
 - 1. 2022 Business Report
 - 2. 2022 Audit Committee Report
 - 3. 2022 Distribution of Director Remuneration and Employee Bonus
 - 4. 2022 Distribution of Cash Dividend
- **IV. Ratification Items**
 - 1. 2022 Business Report and Financial Statements
 - 2. 2022 Profit Distribution Statement

V. Election Items

- 1. Election of Directors
- VI. Motion
- VII. Adjournment

Company Reports

Report No 1.

2022 Business Report (Please refer to Attachment I on p.7 of the handbook)

Report No2.

2022 Audit Committee Report (Please refer to Attachment II on p.9 of the handbook)

Report No 3.

2022 Distribution of Director Remuneration and Employee Bonus

Explanation:

- According to the Articles of Incorporation, the Company sets aside NT\$3.24 million, 0.26% of the profit as director remuneration, and NT\$7.63 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.

2022 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\$ 342,293,933 for cash dividends of NT\$1.2 per share to the shareholders. The amount of cash dividends is truncated to a whole dollar value, and the sum of fractional dividends less than NT\$1, which shall each be adjusted in descending order by decimal number from the largest to the smallest and in ascending order by the shareholder account number, shall add up until the total distributable amount of cash dividends is reached.

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

Ratification Items

Proposal No.1: Proposed by the Board of Directors

Adoption of the 2022 Business Report and Financial Statements

Explanation:

- 1. The Company's 2022 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 Hsieh, Ming-Chung 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.7 and p.10 of the handbook, respectively.

Resolution:

Proposal No.2: Proposed by the Board of Directors

Adoption of the 2022 Profit Distribution Statement

Explanation:

For the 2022 Profit Distribution Statement, please refer to Attachment IV on p.32 of the handbook.

Resolution:

Election Items: Proposed by the Board of Directors

Election of Directors

Explanation:

- 1. The term of office of current directors will expire on June 8, 2023 and directors will be re-elected at the General Shareholders' Meeting in accordance with law.
- 2. According to Article 13 and 13-1, nine directors shall be elected at this time, three of whom shall be independent directors. The election adopts a candidate nomination system for a three-year term.
- 3. The term of office of new directors starts from June 9, 2023 to June 8, 2026. The term of office of current directors will expire at the completion of the General Shareholders' Meeting.
- 4. Profiles of candidates for directors and independent directors are as follows:

Title	Name	Education	Experience	Shareholding
Director	Representative of Sytain Corp Liu, Hsin-Hsiung	Chinese Culture University (LL.B)	Chairman: Founding Construction Corp. Director: Syntain Corp. Director: Syntain Foundation President: Chi-Long Construction Co., Ltd.	22,918,571
Director	Representative of Sytain Corp Liu, Min-Liang	UBC General Arts	Vice Chairman: Founding Construction Corp Director: Mei-Hsiung Investment. Co., Ltd Owner: Syntain Corp. Director: Syntain Foundation Supervisor: Fushin Hotel. Co., Ltd.	22,918,571
Director	Representative of Sytain Foundation Liu, Fang-Wen	McGill Architecture B. Sc (Arch)	Chairman: Mei-Hsiung Investment. Co., Ltd Supervisor: Syntain Crop. Director: Syntain Foundation Supervisor: Fulongchang Investment Co., Ltd.	940,000
Director	Representative of Wenrui Investment Ltd Chiang, Guang-Hui	Vanung University Department of Engineering	Director: Wenrui Investment Ltd. Owner: Wende Senior Day Care Center Chief of Ruiyang Sub-District, Neihu	549,209
Director	Liu, Hua-Hsing	Feng Chia University B.Acc.	President: Founding Construction Corp. Specialist: Central Trust of China	4,005,089
Director	Ho, Ming-Hui	National Tsing Hua University M.Eng	Person in Charge: Fushin Hotel Co., Ltd. President: Taihsin Management and Technology Consultant Co. Ltd.	41,855
Independent Director	Lee. Shu-Lan	National Cheng Chi University. B.Fin.	CFO: EBM Technologies	13,680
Independent Director	Hung, Lung-Ping	Chinese Culture University B.Acc	Manager: Chuan-Hsin Accounting Firm Director: Shan-Hsin Consulting Ltd.	200,760
Independent Director	Lan. You-Liang	Chinese Culture University B.Econ	Manager: Central Trust of China Supervisor: Founding Construction Corp.	-

Note: The Independent Director, Lee Shu-Lan has served as an independent director of the Company over three terms. Because her accounting expertise, knowledge of relevant laws and regulations, and corporate governance experience have greatly helped the Company, the Company decided to re-nominate her as a candidate for independent director, which allows her to exercise her expertise in advising the Board on the operation and management of the Board.

Motion

Adjournment

2022 Business Report

For the international economy in 2022, the globe has been influenced by Ukraine-Russia war, FED rate hike, high inflation and US-China tug-of-war, resulting in dilemmas of global supply chain. The global economy has been hit by a confluence of complex factors, causing collapses of the global stock market and debt market, and weakening the momentum of economic recovery. For the domestic economy, the semiconductor and electric vehicle related industries drove good GDP growth at the beginning of the year. Later, the demand of global consumer electronics declined due to high inflation, the inventory of information industry became a serious problem. The conventional industries and the manufacturing industries have turned more conservative; private investment growth clearly has slowed down and the economic growth has revised downward. However, after domestic epidemic control measures continued to be relaxed and borders reopened, citizens have returned to normal lives, facilitating economic activities of which consumption momentum has supported the domestic economy.

Benefited from the global abundance of capital and the return of hot money at the beginning of the year, the domestic housing market has heated up. However, following the impacts of government's curbing housing speculation, rising of interest rates and stock market crash, the confidence of the housing market has dropped. Investors of the housing market have continuously leaving the market; self-use consumers spend more time for purchase consideration, leading a restructuring period of the market. 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.

				Unit: NT\$ thousand
	2022	2021	+/(-)	+/(-) %
Operating Revenue	4,815,648	3,772,140	1,043,508	27.66%
Operating Costs	3,517,886	2,691,369	826,517	30.71%
Gross Profit	1,297,762	1,080,771	216,991	20.08%
Operating Expenses	264,948	286,715	(21,767)	(7.59%)

2. Operating Performance

Attachment I

	2022	2021	+/(-)	+/(-) %
Net Operating Income	1,032,814	794,056	238,758	30.07%
Net Profit	1,014,698	1,061,935	(47,237)	(4.45%)
EPS(NT\$)	3.56	3.72	(0.16)	(4.30%)

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 2022.

4. Profitability Analysis

	2022 (consolidated)	2021 (consolidated)
Debt to asset ratio (%)	28.43	36.47
Long-term capital to property, plant and equipment (%)	253.45	240.71
Current ratio (%)	370.99	286.52
Quick ratio (%)	143.92	53.51
Interest Coverage Ratio (x)	319.46	103.23
Return on assets (%)	7.90	7.90
Return on shareholders' equity (%)	11.67	13.47
Ratio of income before tax to paid-in capital (%)	44.35	40.21
Profit margin (%)	21.07	28.15
Adjusted EPS (NT\$)	3.56	3.72

Chairman:



Manager:



Accounting Officer:



Attachment II

March 9, 2023

Audit Committee Report

Re: General Shareholders Meeting 2023

The Board of Directors has submitted the Company's 2022 annual business report, financial report and profit distribution proposal, among which the financial report has been entrusted to the certified public accountants of Deloitte Touche Tohmatsu Limited Taiwan for auditing to generate an audit report. The audit committee has verified the above-mentioned business report, financial report and profit distribution proposal. No discrepancy is found and the committee hereby presents the report in accordance with Article 14 of the "Securities and Exchange Act" and Article 219 of the "Company Act" for your approval.

孝泳蘭

LEE, SHU-LAN

Convener of the Audit Committee Founding Construction Development Corp.

Deloitte.



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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, 2022 and 2021, 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, 2022 and 2021, 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 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, 2022. 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, 2022 are stated as follows:

Key Audit Matters I: Inventory Valuation

Inventories of the Founding Group represented 41% of the consolidated total assets as of December 31, 2022. The inventories are buildings and land held for sale and construction in progress. Because the situations of the domestic real estate 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, inventories have been deemed as one of the key audit matters for the year. Please refer to Note 4(6) of the financial statements for relevant information on the inventories.

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:

We obtain information on the evaluation of the market value of the Founding Group's inventories, test and review samples of the sales contracts, obtain information adopted for the market value of the Founding Group's inventories, and obtain transaction quotes from the neighboring regions with reference to the price registration of the real estate to evaluate the signs of inventory impairment.

Key Audit Matters II: Recognition of Income from Sales of Real Estate

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. Please refer to Note 4 (14) of the financial statements for relevant information on whether sales revenue recognition is material to the consolidated financial statements for the year and 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.

Others

We have also audited the parent company only financial statements of Founding Construction Development Corp. as of and for the years ended December 31, 2022 and 2021 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 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 auditing standards in the Republic of China, we exercise professional judgment and 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, 2022 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

CPA

CPA

LU I-CHEN

HSIEH MING-CHUNG

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

Financial Supervisory Commission Approval Document Ref. No. FSC Sheng-Zi 1000028068

March 9, 2023

Founding Construction Development Corp. and Subsidiaries

Consolidated Balance Sheets December 31, 2022 and 2021 Unit: NT\$ thousands

Code	ASSETS	December 31, 2 Amount	2022 %	December 31, 2021 Amount %		
	CURRENT ASSETS					
100	Cash and cash equivalents (Note 6)	\$ 2,992,800	24	\$ 1,011,814	8	
110	Financial assets at fair value through profit or loss - current (Notes 7 and	86,895	1	66,882	_	
50	31) Notes receivable (Notes 9 and 25)	5,949	1	16,560	-	
30 70	Accounts receivable (Notes 9 and 25)	35,026	-	11,463	-	
97	Finance lease receivables, net - current	4,989	-	4,915	_	
57 60X	Inventories (Notes 10 and 33)	5,198,694	41	7,219,768	55	
10	Prepayments (Note 13)	27,757	41	33,585	55	
460	Non-current assets held for sale (Notes 11 and 33)	21,151	-	339,932	- 3	
400 176		- 101 5 02	-			
	Other financial assets - current (Notes 14 and 33)	181,583	1	206,888	2	
79 XX	Other current assets (Note 13)	5,220		7,525	-	
XX	Total current assets	8,538,913	67	8,919,332	68	
17	NON-CURRENT ASSETS					
517	Financial assets at fair value through other comprehensive income - non-current (Notes 8 and 31)	4,104	-	4,104	_	
500	Property, plant and equipment (Notes 15 and 33)	2,243,853	18	2,365,881	18	
55	Right-of-use assets (Note 16)	40,254	10	12,319	10	
60		40,234 1,801,897	14		- 14	
	Investment properties, net (Notes 17 and 33)		14	1,773,852	14	
01	Computer software, net	971	-	825	-	
40	Deferred tax assets (Note 27)	11,997	-	10,452	-	
94D	Long-term finance lease receivables, net	10,636	-	15,625	-	
20	Refundable deposits	4,239	-	4,926	-	
75 XX	Net defined benefit assets (Note 22) Total non-current assets	$\frac{1,008}{4,118,959}$	33	4,187,984	32	
XXX	Total assets	<u>\$ 12,657,872</u>	_100	<u>\$ 13,107,316</u>	_100	
Code	LIABILITIES AND EQUITY CURRENT LIABILITIES					
00	Short-term borrowings (Notes 18 and 33)	\$ 1,168,000	9	\$ 2,297,230	18	
30	Contract liabilities (Note 25)	610,419	5	354,979	3	
50	Notes payable (Note 19)	22,942	-	7,522	-	
50 70	Accounts payable (Note 19)	143,174	1	137,289	1	
19	Other payables (Note 20)	77,394	1	103,005	1	
30	Current tax liabilities (Note 27)	106,528	1	36,042	1	
			1		-	
250	Provisions - current (Note 21)	2,977	-	2,977	-	
280	Lease liabilities - current (Note 16)	24,212	-	9,985	-	
320	Current portion of long-term borrowings (Notes 18 and 33)	123,126	1	144,996	1	
399	Other current liabilities	22,834		18,898		
XX	Total current liabilities	2,301,606		3,112,923	24	
- 40	NON-CURRENT LIABILITIES	1 215 200	10	1 (22 000	10	
540	Long-term borrowings (Notes 18 and 33)	1,215,369	10	1,622,090	12	
70	Deferred tax liabilities (Note 27)	1,494	-	-	-	
80	Lease liabilities - non-current (Note 16)	68,530	-	27,419	-	
640	Net defined benefit liabilities - non-current (Note 22)	3,678	-	11,081	-	
545	Guarantee deposits	7,997		7,416		
XX	Total non-current liabilities	1,297,068	10	1,668,006	12	
XXX	Total liabilities	3,598,674	28	4,780,929	36	
	EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Note 24)					
110	Capital stock	0.050.150	22	0.050.450		
10	Ordinary shares	2,852,450	23	2,852,450	22	
10	Capital surplus					
10	Shares premium	20,894	-	20,894	-	
20	Treasury shares transactions	236		236		
00	Total capital surplus	21,130		21,130		
10	Retained earnings		-			
10	Legal reserve	1,079,098	9	972,814	8	
20	Special reserve	966	-	966	-	
50	Unappropriated earnings	5,105,554	40	4,479,027	34	
00	Total retained earnings	6,185,618	49	5,452,807	<u>42</u> 64	
XX	Total equity attributable to owners of the company	9,059,198	72	8,326,387	64	
XXX	Total equity	9,059,198	72	8,326,387	64	

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

2022 2021 % Code Amount Amount % **OPERATING REVENUE** (Notes 25 and 36) \$ 1 \$ 4300 Rental revenue 28,003 9,533 _ 4410 Hospitality service revenue 350,226 7 280,802 8 4500 Construction revenue 4,437,419 92 3,481,805 92 4000 Total operating 4,815,648 100 3,772,140 100 revenue **OPERATING COSTS (Notes 10** and 26) 5300 Rental costs 9,562) 6,878) ((6) 7) 5410 Hospitality service cost 267,474) 284,506) (((5500 Construction costs 3,240,850) <u>67</u>) 2,399,985) 64) (5000 Total operating costs 3,517,886) <u>73</u>) 2,691,369) 71) ((((5900 Gross Profit 1,297,762 27 29 1,080,771 6000 **OPERATING EXPENSES (Note** 264,948) (-6)286,715) $(\underline{8})$ 26) 6900 Net Operating Income 1,032,814 21 794,056 21 NON-OPERATING INCOME AND EXPENSES (Note 26) Interest income 7100 4,379 238 _ 7010 Other income 17,803 17,329 _ 5 7020 Other gains and losses 214,220 346,838 9 7050 Finance costs <u>3,973</u>) 11,222) --7000 Total non-operating income and 232,429 5 353,183 9 expenses 7900 Net income before tax 1,265,243 26 1,147,239 30 7950 Income tax expense (Note 27) 250,545) $(\underline{5})$ 85,304) (2) 8200 NET INCOME FOR THE 21 1,014,698 1,061,935 28 YEAR

Consolidated Statements of Comprehensive Income For the years ended December 31, 2022 and 2021 Unit: NT\$ thousands, except for earnings per share (in NT\$)

(Continued on the next page)

(Continued from the previous page)

		2022		2021	
Code		Amount	%	Amount	%
	OTHER COMPREHENSIVE INCOME (LOSS) (Notes 22 and 27)				
8310	Items that will not be reclassified subsequently to profit or loss				
8311	Remeasurement of defined benefit plans	4,196	-	1,135	-
8349	Income tax relating to items that will not be reclassified subsequently to				
8300	profit or loss Other comprehensive income for the year, net of income	(<u>839</u>)		(<u>227</u>)	
	tax	3,357		908	
8500	TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 1,018,055</u>	21	<u>\$ 1,062,843</u>	28
	EARNINGS PER SHARE (Note 28)				
9710	From continuing operations Basic	<u>\$ 3.56</u>		<u>\$ 3.72</u>	
9810	Diluted	<u>\$ 3.55</u>		<u>\$ 3.72</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, 2022 and 2021 Unit: NT\$ thousands

				EQUITY ATTRIBU	JTABLE TO OWNERS OF	F THE COMPANY			
		Capita	l stock	Capital	surplus		Retained earnings		
		Shares			Treasury shares			Unappropriated	
Code A1	_	(In Thousands)	Ordinary shares	Shares premium	transactions	Legal reserve	Special reserve	earnings	Total equity
A1	Balance as of January 1, 2021	285,245	\$ 2,852,450	\$ 20,894	\$ 236	\$ 948,358	\$ 966	\$ 3,615,435	\$ 7,438,339
	Appropriation and distribution of retained earnings for 2020								
B1	Legal reserve	-	-	-	-	24,456	-	(24,456)	-
B5	Cash dividends to shareholders	-	-	-	-	-	-	(171,147)	(171,147)
Q1	Disposal of investments in equity							(2 (10)	2 (10)
	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>	<u> </u>	<u>-</u>	1,062,843	1,062,843
Z1	Balance as of December 31, 2021	285,245	2,852,450	20,894	236	972,814	966	4,479,027	8,326,387
	Appropriation and distribution of retained earnings for 2021								
B1 B5	Legal reserve Cash dividends to shareholders	-	-	-	-	106,284		(106,284) (285,244)	(285,244)
D1	Net income for 2022	-	-	-	-	-	-	1,014,698	1,014,698
D3	After-tax other comprehensive income for 2022	<u> </u>			<u> </u>		<u>-</u>	3,357	3,357
D5	Total comprehensive income in 2022				<u> </u>		<u>-</u>	1,018,055	1,018,055
Z1	Balance as of December 31, 2022	285,245	<u>\$ 2,852,450</u>	<u>\$ 20,894</u>	<u>\$ 236</u>	<u>\$ 1,079,098</u>	<u>\$ 966</u>	<u>\$ 5,105,554</u>	<u>\$ 9,059,198</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 Cash Flows For the years ended December 31, 2022 and 2021 Unit: NT\$ thousands

Code			2022		2021
	CASH FLOWS FROM OPERATING ACTIVITIES				
A10000	Net income before tax for the year	\$	1,265,243	\$	1,147,239
A20010	Adjustments for:				
A20100	Depreciation expenses		67,647		90,599
A20200	Amortization expenses		354		438
A20400	Loss on fair value changes of financial assets and liabilities at fair value through profit or				
	loss		34,001		3,439
A20900	Finance costs		3,973		11,222
A21200	Interest income	(4,379)	(238)
A21300	Dividend income	(10,057)	(2,470)
A22500	Gain on disposal of property, plant and				
	equipment	(778)	(352,212)
A23700	Loss on write-downs of inventories		-		3,773
A29900	Gain on lease modification	(158)		-
A29900	Transfer of rights and benefits by sale and				
	lease back	(247,794)		-
A29900	Loss on sublease of right-of-use assets		-		4,334
A30000	Changes in operating assets and liabilities		10 11	,	
A31130	Notes receivable		10,611	(16,560)
A31150	Accounts receivable	(23,563)		57,122
A31200	Inventories		2,062,604		41
A31230	Prepayments		5,828		46,432
A31240	Other current assets		2,305	(673)
A31250	Other financial assets		25,305	(85,057)
A32125	Contract liabilities		255,440	(41,930)
A32130	Notes payable		15,420	(39,184)
A32150	Accounts payable		5,885	Ì	48,299)
A32180	Other payables	(24,933)	Ì	6,331)
A32230	Other current liabilities	(3,936	(49,365
A32240	Defined benefit liability, net	(4,215)	(<u>102</u>)
A32240 A33000		((
A33500 A33500	Cash generated from operations Income taxes paid	(3,442,675 180,949)	(820,948 53,772)
ASSSOU	Net cash generated from operating activities	(3,261,726	(<u> </u>
	on the next page)		5,201,720		/0/,1/0

Code	from the previous page)		2022		2021
	CASH FLOWS FROM INVESTING ACTIVITIES				
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				660
B00100	income Acquisition of financial assets at fair value through		-		000
D 00100	profit or loss	(179,877)	(405,547
B00200	Disposal of financial assets at fair value through profit or loss		125,863		337,421
B02600	Proceeds from disposal of non-current assets held for sale		620,039		-
B02700	Purchase of property, plant and equipment	(6,105)	(53,254
B02800	Proceeds from disposal of property, plant and equipment		822		1,753,190
B03800	Decrease in refundable deposits		703		12,208
B04500	Purchase of intangible assets	(500)	(114
B06100	Decreases in finance lease receivables		5,189		996
B07500	Interest received		4,105		201
B07600	Dividends received from others		10,057		2,470
BBBB	Net cash generated from investing activities	. <u> </u>	580,296		1,650,511
	CASH FLOWS FROM FINANCING ACTIVITIES				
C00100	Increase in short-term borrowings		126,000		930,900
200200	Decrease in short-term borrowings	(1,255,230)	(1,262,080
200600	Decrease in short-term bills payable		-	(845,910
201600	Proceeds from long-term borrowings		21,000		300,000
C01700	Repayments of long-term borrowings	(449,591)	(860,207
C03000	Increase in guarantee deposits received		581		5,992
C04020	Payments of lease liabilities	(13,901)	(9,944
C04500	Dividends paid to owners of the Company	(285,244)	(171,147
C05600	Interest paid	(4,651)	(12,646
CCCC	Net cash used in financing activities	(1,861,036)	(1,925,042
EEEE	INCREASE IN CASH AND CASH EQUIVALENTS FOR THE YEAR		1,980,986		492,645
E00100	CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR		1,011,814		519,169
E00200	CASH AND CASH EQUIVALENTS, END OF YEAR	\$	2,992,800	\$	1,011,814

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.

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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, 2022 and 2021, 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, 2022 and 2021, 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 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, 2022. 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, 2022 are stated as follows:

Key Audit Matters I: Inventory Valuation

Inventories of Founding Construction Development Corp. represented 42% of the total parent company only assets as of December 31, 2022. The inventories are buildings and land held for sale and construction in progress. Because the situations of the domestic real estate 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, inventories have been deemed as one of the key audit matters for the year. Please refer to Note 4(4) of the financial statements for relevant information on the inventories.

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:

We obtain information on the evaluation of the market value of Founding Construction Development Corp.'s inventories, test and review samples of the sales contracts, obtain information adopted for the market value of the Founding Construction Development Corp.'s inventories, and obtain transaction quotes from the neighboring regions with reference to the price registration of the real estate to evaluate the signs of inventory impairment.

Key Audit Matters II: Recognition of Income from Sales of Real Estate

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. Whether sales revenue recognition meets the sales revenue recognition conditions is material to the consolidated financial statements for the year. Therefore, the occurrence of sales revenue is considered as a key audit matter. Please refer to Note 4 (12) of the financial statements for relevant information on the sales revenues.

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

- 1. We evaluate the designs of the relevant operating procedures for sales revenue recognition and the appropriateness of execution. 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, 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 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 auditing standards in the Republic of China, we exercise professional judgment and 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, 2022 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

CPA LU I-CHEN

CPA

HSIEH MING-CHUNG

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

Financial Supervisory Commission Approval Document Ref. No. FSC Sheng-Zi 1000028068

Founding Construction Development Corp.

Parent Company Only Balance Sheet December 31, 2022 and 2021 Unit: NT\$ thousands

		December 31, 2	022	December 31, 20	021
Code	ASSETS	Amount	%	Amount	%
0000	CURRENT ASSETS	7 mount	/0		/0
1100	Cash and cash equivalents (Note 6)	\$ 2,541,366	21	\$ 543,299	4
1110	Financial assets at fair value through profit or loss - current (Note 7)	6,382	-	8,471	-
1150	Notes receivable (Note 21)	5,949	-	16,560	-
1170	Accounts receivable (Note 21)	25,631	-	830	-
1197	Finance lease receivables, net - current (Note 28)	-	-	638	-
130X	Inventories (Notes 8 and 29)	5,164,178	42	7,313,084	57
1410	Prepayments (Note 9)	4,146	-	12,633	-
1476	Other financial assets - current (Note 29)	173,557	1	186,277	2
1479	Other current assets (Note 9)	2,661		7,644	
11XX	Total current assets	7,923,870	64	8,089,436	63
	NON-CURRENT ASSETS				
1550	Investments accounted for using the equity method (Note 10)	486,446	4	461,774	3
1600	Property, plant and equipment (Notes 11 and 29)	120,161	1	122,428	1
1755	Right-of-use assets (Note 12)	462	-	1,385	-
1760	Investment properties, net (Notes 13 and 29)	3,767,550	31	4,207,063	33
1780	Intangible assets	423	-		-
1840	Deferred tax assets (Note 23)	11,973	-	10,321	-
194D	Long-term finance lease receivables, net (Note 28)	-	-	1,828	-
1920	Refundable deposits	1,850	-	2,311	-
15XX	Total non-current assets	4,388,865	36	4,807,110	37
1 7 7 7 7		¢ 10.210.725	100	¢ 10 006 546	100
1XXX	Total assets	<u>\$ 12,312,735</u>	100	<u>\$ 12,896,546</u>	100
Code	LIABILITIES AND EQUITY				
	CURRENT LIABILITIES				
2100	Short-term borrowings (Notes 14 and 29)	\$ 1,138,000	9	\$ 2,212,730	17
2130	Contract liabilities - current (Note 21)	587,093	5	315,387	2
2150	Notes payable (Note 15)	14,721	-	90	-
2160	Notes payable to related parties (Notes 15 and 28)	29,662	-	15,750	-
2170	Accounts payable (Note 15)	2,748	-	83	-
2180	Accounts payable to related parties (Notes 15 and 28)	54,600	1	215,650	2
2230	Current tax liabilities (Note 23)	101,124	1	34,328	-
2280	Lease liabilities - current (Note 12)	477	-	2,214	-
2219	Other payables (Notes 16 and 28)	42,127	-	59,625	1
2250	Provisions - current (Note 17)	1,106	-	1,106	-
2320	Current portion of long-term borrowings (Notes 14 and 29)	117,843	1	141,010	1
2399	Other current liabilities	22,392		18,142	
21XX	Total current liabilities	2,111,893	17	3,016,115	23
	NON-CURRENT LIABILITIES				
2540	Long-term borrowings (Notes 14 and 29)	1,125,274	9	1,526,850	12
2570	Deferred tax liabilities (Note 23)	1,268	-	-,	-
2580	Lease liabilities - non-current (Note 12)	-	-	4,133	-
2640	Net defined benefit liabilities - non-current (Note 18)	3,678	-	10,428	-
2645	Guarantee deposits	11,424	-	12,633	-
25XX	Total non-current liabilities	1,141,644	9	1,554,044	12
2XXX	Total liabilities	3,253,537	26	4,570,159	35
	EQUITY (Note 20)				
	EQUITY (Note 20) Capital stock				
3110	Ordinary shares	2,852,450	23	2,852,450	22
0.110	Capital surplus	2,002,100			
3210	Shares premium	20,894	_	20,894	-
3220	Treasury shares transactions	20,094	_	236	-
3200	Total capital surplus	21,130		21,130	
	Retained earnings				
3310	Legal reserve	1,079,098	9	972,814	8
3320	Special reserve	966	-	966	-
3350	Lingappropriated cornings	5 105 554	12	4 470 027	35

3320	Special reserve	966	-	966	-
3350	Unappropriated earnings	5,105,554	42	4,479,027	35
3300	Total retained earnings	6,185,618	51	5,452,807	43
3XXX	Total equity	9,059,198	74	8,326,387	65
	Total liabilities and equity	<u>\$ 12,312,735</u>	100	<u>\$ 12,896,546</u>	_100

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 Comprehensive Income For the years ended December 31, 2022 and 2021 Unit: NT\$ thousands, except for earnings per share (in NT\$)

		2022		2021	
Code		Amount	%	Amount	%
	OPERATING REVENUE (Notes 21 and 28)				
4300	Rental revenue	\$ 86,521	2	\$ 86,413	2
4500	Construction revenue	4,437,419	98	3,481,805	98
4000	Total operating				
	revenue	4,523,940	100	3,568,218	100
	OPERATING COSTS (Notes 8 and 28)				
5300	Rental costs	(54,523)	(1)	(75,802)	(2)
5500	Construction costs	(3,343,444)	(74)	$(\underline{2,481,732})$	(70)
5000	Total operating	· · · · · · · · · · · · ·	· _ · ·		· ·
	costs	(<u>3,397,967</u>)	(<u>75</u>)	(<u>2,557,534</u>)	(<u>72</u>)
5900	Gross Profit	1,125,973	25	1,010,684	28
5700		1,125,575	23	1,010,001	20
6000	OPERATING EXPENSES				
	(Notes 18 and 22)	(<u>178,925</u>)	(<u>4</u>)	(<u>194,600</u>)	(<u>5</u>)
6900	Net Operating Income	947,048	21	816,084	23
0700	The operating meanie				
	NON-OPERATING INCOME				
	AND EXPENSES (Note 22)				
7100	Interest income	3,542	_	193	_
7010	Other income	1,836	_	361	_
7020	Other gains and losses	271,407	6	359,881	10
7050	Finance costs	(134)	-	(8,275)	-
7070	Shares of profits of				
	subsidiaries, associates				
	and joint ventures accounted for using				
	the equity method	36,009	1	(<u>26,573</u>)	(<u>1</u>)
7000	Total non-operating				
	income and expenses	312,660	7	325,587	9
	expenses		/		
7900	Net income before tax for the				
	year	1,259,708	28	1,141,671	32
7950	Income tax expense (Note 23)	(<u>245,010</u>)	(6)	(<u>79,736</u>)	(2)
1930	meome tax expense (note 23)	$(\underline{243,010})$	(<u>6</u>)	(<u> </u>	(<u>2</u>)
8200	NET INCOME FOR THE				
	YEAR	1,014,698	22	1,061,935	30
(Contin	ued on the next page)				

(Continued from the previous page)

(Contir	fued from the previous page)	2022		2021	
Code		Amount	%	Amount	%
8310	OTHER COMPREHENSIVE INCOME/(LOSS) (Note 23) Items that will not be				
	reclassified subsequently to profit or loss				
8311	Remeasurement of defined benefit plans	2,534	-	1,094	-
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 subsequently to	1,330	-	33	-
8300	profit or loss Other comprehensive income for the	(<u>507</u>)		(<u>219</u>)	
	year, net of income tax	3,357		908	
8500	TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 1,018,055</u>	22	<u>\$ 1,062,843</u>	<u>30</u>
	EARNINGS PER SHARE (Note 24)				
9710	Basic	<u>\$ 3.56</u>		<u>\$ 3.72</u>	
9810	Diluted	<u>\$ 3.55</u>		<u>\$ 3.72</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.

Parent Company Only Statements of Changes in Equity For the years ended December 31, 2022 and 2021 Unit: NT\$ thousands

Code A1			l stock	Capitals	surplus		Retained earnings		
		Shares			Treasury shares			Unappropriated	
Al		(In Thousands)	Ordinary shares	Shares premium	transactions	Legal reserve	Special reserve	earnings	Total equity
	Balance as of January 1, 2021	285,245	\$ 2,852,450	\$ 20,894	\$ 236	\$ 948,358	\$ 966	\$ 3,615,435	\$ 7,438,339
	Appropriation and distribution of retained earnings for 2020					24.456			
B1 B5	Legal reserve Cash dividends to	-	-	-	-	24,456	-	(24,456)	-
	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>	<u>-</u>			<u>-</u>	<u>-</u>	908	908
D5	Total comprehensive income in 2021	<u> </u>	<u> </u>	<u>-</u>	<u>-</u>	<u> </u>	<u>-</u>	1,062,843	1,062,843
Z1	Balance as of December 31, 2021	285,245	2,852,450	20,894	236	972,814	966	4,479,027	8,326,387
B1	Appropriation and distribution of retained earnings for 2021 Legal reserve	_	_	_	_	106,284	_	(106,284)	_
B5	Cash dividends to								
	shareholders	-	-	-	-	-	-	(285,244)	(285,244)
D1	Net income for 2022	-	-	-	-	-	-	1,014,698	1,014,698
D3	After-tax other comprehensive income for 2022	<u>-</u> _	<u>-</u>			<u>-</u> _	<u>-</u>	3,357	3,357
D5	Total comprehensive income in 2022	<u>-</u>	<u> </u>	<u> </u>		<u> </u>	<u>-</u>	1,018,055	1,018,055
Z 1	Balance as of December 31, 2022	285,245	<u>\$ 2,852,450</u>	<u>\$ 20,894</u>	<u>\$ 236</u>	<u>\$ 1,079,098</u>	<u>\$ 966</u>	<u>\$ 5,105,554</u>	<u>\$ 9,059,198</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.

Parent Company Only Statements of Cash Flows For the years ended December 31, 2022 and 2021 Unit: NT\$ thousands

Code		2022	2021
	CASH FLOWS FROM OPERATING ACTIVITIES		
A10000	Net income before tax for the year	\$ 1,259,708	\$ 1,141,671
A20010	Adjustments for:		
A20100	Depreciation expenses	57,713	78,637
A20200	Amortization expenses	12	-
A20400	Net loss (gain) on fair value changes of financial assets and liabilities at fair value through profit or loss	1,850	(5,459)
A20900	Finance costs	1,850	(5,459) 8,275
A20900 A21200	Interest income	(3,542)	(193)
A21200 A22300	Shares of profits of subsidiaries,	(5,542)	(195)
A22500	associates and joint ventures accounted for using the equity method	(36,009)	26,573
A22700	Gain on disposal of investment properties	(271,279)	(351,934)
A23700	Loss on write-downs of inventories	(2/1,2/)	3,773
A29900	Gain on lease modification	(2,323)	5,115
A30000	Changes in operating assets and liabilities	(2,525)	
A31130	Notes receivable	10,611	(16,560)
A31150	Accounts receivable	(24,801)	17,911
A31200	Inventories	2,190,436	(153,938)
A31230	Prepayments	8,487	37,698
A31240	Other current assets	4,983	(1,058)
A31250	Other financial assets	12,720	(79,483)
A32125	Contract liabilities - current	271,706	(430)
A32130	Notes payable	14,631	(481)
A32140	Notes payable - related parties	13,912	(32,550)
A32150	Accounts payable	2,665	(1,850)
A32160	Accounts payable - related parties	(161,050)	61,426
A32180	Other payables	(18,756)	(6,426)
A32230	Other current liabilities	4,250	1,895
A32240	Net defined benefit liabilities -	7	7
	non-current	(4,216)	(<u>102</u>)
A33000	Cash generated from operations	3,331,842	727,395
A33500	Income taxes paid	(<u>179,105</u>)	(<u>45,397</u>)
AAAA	Net cash generated from operating activities	3,152,737	681,998
Continued	l on the next page)		

(Continue Code	d from the previous page)	2022	2021
Coue	CASH FLOWS FROM INVESTING ACTIVITIES	2022	2021
B00100	Acquisition of financial assets at fair value through profit or loss	(5,040)	(118,493)
B00200	Disposal of financial assets at fair value through profit or loss	5,279	118,337
B02700	Purchase of property, plant and equipment	-	(41,342)
B02800	Proceeds from disposal of property, plant and equipment	-	1,788,693
B03800	Decrease in refundable deposits	477	12,047
B04500	Purchase of intangible assets	(435)	_
B05400	Purchase of investment properties	(5,300)	(11,546)
B05500	Proceeds from disposal of investment properties	620,039	-
B06000	Decreases in finance lease receivables	171	686
B07500	Interest received	3,529	131
B07600	Dividends received from subsidiaries	15,000	18,000
BBBB	Net cash generated from investing		
	activities	633,720	1,766,513
	CASH FLOWS FROM FINANCING ACTIVITIES		
C00100	Increase in short-term borrowings	126,000	751,300
C00200	Decrease in short-term borrowings	(1,200,730)	(1,112,480)
C00600	Decrease in short-term bills payable		(845,910)
C01600	Proceeds from long-term borrowings	-	300,000
C01700	Repayments of long-term borrowings	(424,743)	(827,628)
C03000	Increase in guarantee deposits received	(,,,	547
C03100	Decrease in guarantee deposits paid	(1,209)	-
C04020	Payments of lease liabilities	(1,255)	(2,331)
C04500	Dividends paid to owners of the Company	(285,244)	(171,147)
C05400	Acquisition of equity in subsidiaries	(200,211)	(280,000)
C05600	Interest paid	(1,209)	(9,695)
CCCC	Net cash used in financing activities	$(\underline{1,788,390})$	(2,197,344)
cece	Net easil used in finalening activities	(<u>1,700,570</u>)	$(\underline{2,1,7,5++})$
EEEE	NET INCREASE IN CASH AND CASH EQUIVALENTS FOR THE YEAR	1,998,067	251,167
E00100	CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	543,299	292,132
E00200	CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$2,541,366</u>	<u>\$ 543,299</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 2022

unit: NT\$

	Amount	
Beginning Retained Earnings	4,087,498,656	
Other Comprehensive Income recognized as	2 256 525	
Unappropriated Retained Eearnings	3,356,535	
Adjusted Beginning Retained Earnings	4,090,855,191	
Profit	1,014,698,298	
Legal reserve	(101,805,483)	
Reversal of Special Reserve	966,045	
Distributable Net Profit	5,004,714,051	
Distributable Items		
Shareholder Dividends (Cash)	(342,293,933)	NT\$1.2 per share
Total	(342,293,933)	
Unappropriated Retained Earnings	4,662,420,118	

Note: preemptive distribution of 2022 earnings

Chairman: Liu Hsin-Hsiung

Manager: Liu Hua-Hsing

g Accounting Officer: Cheng, Yen-Fen

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

Chapter I - General Provisions

Article 1: The Company shall be incorporated under the Company Act, and its name shall be 皇鼎建 設開發股份有限公司.

The Company's name in English language shall be FOUNDING CONSTRUCTION DEVELOPMENT CORP.

Article 2: The scope of business of the Company shall be as follows:

- 1. H701010 Housing and Building Development and Rental
- 2. H701020 Industrial Factory Development and Rental
- 3. H701040 Specific Area Development
- 4. H701060 New Towns, New Community Development
- 5. E801010 Indoor Decoration
- 6. I503010 Landscape and Interior Designing
- 7. F111090 Wholesale of Building Materials
- 8. F113010 Wholesale of Machinery
- 9. F211010 Retail Sale of Building Materials
- 10. F213080 Retail Sale of Machinery and Tools
- 11. CB01010 Mechanical Equipment Manufacturing
- 12. CQ01010 Mold and Die Manufacturing
- 13. CZ99990 Manufacture of Other Industrial Products Not Elsewhere Classified
- 14. CB01020 Affairs Machine Manufacturing
- 15. CB01990 Other Machinery Manufacturing
- 16. CC01010 Manufacture of Power Generation, Transmission and Distribution Machinery
- 17. CC01020 Electric Wires and Cables Manufacturing
- 18. CC01030 Electrical Appliances and Audiovisual Electronic Products Manufacturing
- 19. CC01040 Lighting Equipment Manufacturing
- 20. CC01060 Wired Communication Mechanical Equipment Manufacturing
- 21. CC01080 Electronics Components Manufacturing
- 22. CC01110 Computer and Peripheral Equipment Manufacturing
- 23. CC01990 Other Electrical Engineering and Electronic Machinery Equipment Manufacturing
- 24. CH01040 Toys Manufacturing
- 25. CA02010 Manufacture of Metal Structure and Architectural Components
- 26. CA02030 Screw, Nut and Rivet Manufacturing
- 27. CA02040 Spring Manufacturing
- 28. CA02050 Valves Manufacturing
- 29. CA02060 Metal Containers Manufacturing
- 30. CA02090 Metal Wire Products Manufacturing
- 31. CA02990 Other Metal Products Manufacturing
- 32. CP01010 Hand Tools Manufacturing
- 33. C306010 Wearing Apparel
- 34. C307010 Clothing Accessories

- 35. C399990 Other Textile and Products Manufacturing
- 36. C402030 Manufacture of Leather, Fur and Related Products
- 37. C601030 Paper Containers Manufacturing
- 38. C804020 Industrial Rubber Products Manufacturing
- 39. C805020 Manufacture of Plastic Films and Bags
- 40. C805030 Plastic Daily Necessities Manufacturing
- 41. C805060 Plastic Leathers Products Manufacturing
- 42. C805070 Reinforced Plastic Products Manufacturing
- 43. C805990 Other Plastic Products Manufacturing
- 44. CG01010 Jewelry and Precious Metals Products Manufacturing
- 45. CK01010 Footwear Manufacturing
- 46. CL01010 Umbrella Manufacturing
- 47. CM01010 Case and Bag Manufacturing
- 48. CN01010 Furniture and Decorations Manufacturing
- 49. CO01010 Tableware Manufacturing
- 50. CZ99020 Zipper and Button Manufacturing
- 51. ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.
- Article 2-1: The Company may provide guarantee and invest in other business based on the need of business. The aforesaid limitation of investment in other business shall not exceed 40% of the amount of the Company's paid-up capital.
- Article 3: The head office of the Company is set up in Taipei City. The Company may, by resolution of the board of directors of the Company (the "Board of Director"), establish branch within and without the country.
- Article 4: Public announcements of the Company shall be made in accordance with Article 28 of Company Act.

Chapter II – Capital Stock

- Article 5: The total capital stock of the Company shall be in the amount of 3,600,000,000 New Taiwan Dollars, divided in 360,000,000 shares, at ten New Taiwan Dollars each, and may be paid-up by installments.
- Article 6: The share certificates of the Company shall all be named-bearing certificates, be signed or sealed with the chop of the director(s) of the Company (the "Director(s)") who represent the Company and shall be issued after attestation from the banks competent to serve as attesters for the issuance of shares certificates under the laws.

The Company may issue shares without printing share certificate(s) and the shares shall be register in Taiwan Depository & Clearing Corporation and free from the preceding paragraph.

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

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

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

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

- 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 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

Appendix II

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

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

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

- Article 11: After an attending shareholder has spoken, the chairman may respond in person or direct relevant personnel to respond.
- Article 12: Discussions or votes shall be carried out only for proposals. When the chairman considers that a proposal has been discussed sufficiently to put it to a vote, the chairman may announce the discussion closed, call for a vote.

For such proposals which are announced by the chairman to close the discussion and to be determined by votes, ballots may be casted for several motions at the same time but shall be voted separately.

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

Article 16: The Company may appoint its attorney-at-law, certified public accountants or other related persons to attend the Meeting.

on-site at the meeting and recorded.

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

At the place of the Meeting, if a shareholder attempts to speak through any device other

than the public address equipment set up by the Company, the chairman may prevent the shareholder from so doing.

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

Article 19: When a Meeting is in progress, the chairman may announce a break based on time considerations. If a force majeure event occurs, the chairman may rule the Meeting temporarily suspended and announce a time when, in view of the circumstances, the 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. (the "Company") Procedures for Election and Appointment of Directors

adopted by shareholders' meeting on June 10, 2021

- Article 1 Unless otherwise provided in laws, rules or regulations or the articles of incorporation of the Company, the directors of the Company shall be elected and appointed in accordance with the procedures specified herein (the "Procedures").
- Article 2 The overall composition of the board of directors shall be taken into consideration in the selection of the Company's directors.Each board member shall have the necessary knowledge, skill, and experience to perform his/her duties.

More than half of the directors shall be persons who have neither a spousal relationship nor a relationship within the second degree of kinship with any other director.

- Article 3 The qualifications, election and appointment for the independent directors of the Company shall comply with the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies, and shall be conducted in accordance with Article 24 of the Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies.
- Article 4 Elections of directors at the Company shall be conducted in accordance with the candidate nomination system and procedures set out in Article 192-1 of the Company Act.

When the number of directors falls below five due to the dismissal of a director for any reason, the Company shall hold a by-election to fill the vacancy at its next shareholders meeting. When the number of directors falls short by one third of the total number prescribed in the Company's articles of incorporation, the Company shall call a special shareholders meeting within 60 days from the date of occurrence to hold a by-election to fill the vacancies.

When the number of independent directors falls below that required under the proviso of Article 14-2, paragraph 1 of the Securities and Exchange Act, a by-election shall be held at the next shareholders meeting to fill the vacancy. When the independent directors are dismissed en masse, a special shareholders meeting shall be called within 60 days from the date of occurrence to hold a by-election to fill the vacancies.

- Article 5 The directors of the Company shall be elected pursuant to a cumulative voting mechanism. Each share shall have voting rights equivalent to the number of directors to be elected and such voting rights can be combined to vote for one person or divided to vote for several persons.
- Article 6 The board of directors shall prepare ballots equal to the number of directors to be elected. The number of voting rights associated with each ballot shall be specified on the ballots, which shall then be distributed to the attending shareholders at the shareholders meeting. Attendance card numbers printed on the ballots may be used instead of recording the names of voting shareholders.

Appendix III

- Article 7 The candidates acquiring ballots representing the highest numbers of voting rights, calculated separately for independent and non-independent director positions, will be elected sequentially according to their respective numbers of votes in accordance with the number of directors provided in the articles of incorporation of the Company. When two or more candidates acquire the same number of voting rights and the number of such candidates exceeds the specified number of positions available, such candidates shall draw lots to determine who would prevail. The chairman of the shareholders' meeting (the "Chairman") shall draw lots on behalf of the candidates not in attendance.
- Article 8 Before the election begins, the Chairman shall appoint several persons, who are shareholders of the Company, to perform the respective duties of vote monitoring and counting personnel. The ballot box used for voting shall be prepared by the board of directors of the Company and checked in public by the vote monitoring personnel before voting commences.
- Article 9 Ballots shall be deemed void under any of the following circumstances:
 - (1) Ballots not prepared by the Company.
 - (2) Blank ballots placed in the ballot box.

the conclusion of the litigation.

- (3) Ballots with illegible or altered writing.
- (4) The information of a candidate is inconsistent with the information recorded in the list of directorial candidate.
- (5) Other words or marks are entered in addition to the number of voting rights allotted.
- Article 10 The voting rights shall be calculated on site immediately after the end of the poll, and the results of the calculation, including the list of elected directors and the numbers of voting rights, shall be announced by the Chairman on the site.
 The ballots specified in preceding paragraph shall be sealed and signed by the monitoring personnel and kept in proper custody for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the ballots shall be retained until
- Article 11 The board of directors of the Company shall issue notification letters to the persons elected as directors.
- Article 12 These Rules, and any amendments hereto, shall be implemented after approval by a shareholders' meeting.

Founding Construction Development Corp. Shareholding of Directors

- 1. The paid-in capital of the Company is NT\$ 2,852,449,440 and the total number of issued shares is 285,244,944 shares.
- 2. According to Article 26 of the "Securities and Exchange Act", the minimum number of shares to be held by all directors is12,000,000 shares.
- 3. A list of the number of shares held by all directors recorded in the shareholder register as of April 11, 2023, the book closure date of this year, is provided as follows, showing full compliance with Article 26 of the "Securities and Exchange Act".

Title	Name	Date	Term Shareholdin of				
The	Iname	Elected	Service	shares	%	shares	%
Chairman	Syntain Corp. Representative Liu Hsin-Hsiung	6/9/2020	3 years	25,718,571	9.02%	22,918,571	8.03%
Vice Chairman	Syntain Corp. Representative Liu Min-Liang	6/9/2020	3 years	25,718,571	9.02%	22,918,571	8.03%
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%	4,005,089	1.40%
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%	200,760	0.07%
	Total			32,383,727	11.35%	28,757,727	10.08%

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.