Stock Code: 5533

## FOUNDING CONSTRUCTION DEVELOPMENT CORP.

## General Shareholders' Meeting 2024 Meeting Handbook

Meeting Date: June 20, 2024

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

(FUSHIN Hotel)

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## Founding Construction Development Corp. Procedure for General Shareholders' Meeting 2024

I. Call the Meeting to Order

**II. Chairperson Remarks** 

**III. Company Reports** 

**IV. Ratification Items** 

V. Motion

VI. Adjournment

#### **Founding Construction Development Corp.**

#### Meeting Agenda of General Shareholders' Meeting 2024

Time: 9:00a.m June 20, 2024 (Thursday)

Place: No. 152, Sec. 1, Datong Rd., Xizhi Dist., New Taipei City (FUSHIN Hotel)

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. 2023 Business Report
  - 2. 2023 Audit Committee Report
  - 3. 2023 Distribution of Director Remuneration and Employee Bonus
  - 4. 2023 Distribution of Cash Dividend

#### IV. Ratification Items

- 1. 2023 Business Report and Financial Statements
- 2. 2023 Profit Distribution Statement

#### V. Motion

VI. Adjournment

#### **Company Reports**

#### Report No 1.

2023 Business Report (Please refer to Attachment I on p.5 of the handbook)

#### Report No2.

2023 Audit Committee Report (Please refer to Attachment II on p.7 of the handbook)

#### Report No 3.

2023 Distribution of Director Remuneration and Employee Bonus

#### **Explanation:**

- 1. According to the Articles of Incorporation, the Company sets aside NT\$3.24 million, 0.31% of the profit as director remuneration, and NT\$6.35 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.

2023 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 2023 Business Report and Financial Statements

#### **Explanation:**

- 1. The Company's 2023 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.5 and p.8 of the handbook, respectively.

#### **Resolution:**

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

Adoption of the 2023 Profit Distribution Statement

#### **Explanation:**

For the 2023 Profit Distribution Statement, please refer to Attachment IV on p.30 of the handbook.

#### **Resolution:**

#### Motion

#### Adjournment

#### **2023 Business Report**

The international economy in 2023 has been influenced by high interest rate, high inflation and China's weaker-than-expected economic performance in the post-pandemic time, resulting in a weak demand of global end products and thus causing manufacturing slowdowns. The US-China chip ban, the Russia-Ukraine war, and the Israel-Hamas conflicts all have been non-stop. The global geopolitics has been confronted with conglomerates, affecting the global economic development and social stability. In Taiwan, the domestic service industry has been expanded after the pandemic; performances of the retail, tourism and transportation industries have been noticeably improved. However, the global trade expansion has gone through a deceleration, impacting Taiwan's export orders and business investment. Taiwan's economic growth successively fell in Q4'22 and Q1'23, and the growth rate finally turned positive in Q2'23.

For the domestic real estate market, the monthly growth rate of the property transactions in six special municipalities was -3.2% at the beginning of the year, which reflected tug-of-war between buyers and sellers. Buyers expected a great slump of house price as the government began anti-flipped rules; however, sellers generally could not accept the wiggle room of the price, causing a decline of property transactions. Obviously the effect of slowly rising mortgage rate has been emerged, plus the shrinking capital, an increasing supply of housing, the unloosened control policy, and the presidential election all affected the buying decision of consumers.

The construction industry has been facing more challenges. The Company focused on the core business, continued on the land development, and actively integrated urban renewal projects and joint venture construction projects. The Company simultaneously strived on hotel operations, in order to create a source of stable income.

#### 1. Operating Philosophy

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

#### 2. Operating Performance

Unit: NT\$ thousand

|                      | 2023      | 2022      | +/(-)       | +/(-) %  |
|----------------------|-----------|-----------|-------------|----------|
| Operating Revenue    | 3,763,838 | 4,815,648 | (1,051,810) | (21.84%) |
| Operating Costs      | 2,532,524 | 3,517,886 | (985,362)   | (28.01%) |
| Gross Profit         | 1,231,314 | 1,297,762 | (66,448)    | (5.12%)  |
| Operating Expenses   | 228,923   | 264,948   | (36,025)    | (13.60%) |
| Net Operating Income | 1,002,391 | 1,032,814 | (30,423)    | (2.95%)  |
| Net Profit           | 889,543   | 1,014,698 | (125,155)   | (12.33%) |
| EPS(NT\$)            | 3.12      | 3.56      | (0.44)      | (12.36%) |

#### 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 2023.

#### 4. Profitability Analysis

|  | 2023 (consolidated) | 2022 (consolidated) |
|--|---------------------|---------------------|
| Debt to asset ratio (%)                                | 19.00               | 28.43               |
| Long-term capital to property, plant and equipment (%) | 229.42              | 253.45              |
| Current ratio (%)                                      | 647.03              | 370.99              |
| Quick ratio (%)  | 313.64              | 143.92              |
| Interest Coverage Ratio (x)                            | 288.14              | 319.46              |
| Return on assets (%)                                   | 7.27                | 7.90                |
| Return on shareholders' equity (%)                     | 9.52                | 11.67               |
| Ratio of income before tax to paid-in capital (%)      | 36.75               | 44.35               |
| Profit margin (%)                                      | 23.63               | 21.07               |
| Adjusted EPS (NT\$)                                    | 3.12                | 3.56                |

Chairman:



Manager:

羅曲方白

Accounting Officer:

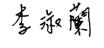


March 14, 2024

#### **Audit Committee Report**

Re: General Shareholders Meeting 2024

The Board of Directors has submitted the Company's 2023 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 14-4 of the "Securities and Exchange Act" and Article 219 of the "Company Act" for your approval.



LEE, SHU-LAN

Convener of the Audit Committee Founding Construction Development Corp.

## Deloitte.

勤業眾信

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**Independent Auditors' Report** 

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, 2023 and 2022, 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, 2023 and 2022, 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

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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, 2023. 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, 2023 are stated as follows:

#### **Key Audit Matters I: Inventory Valuation**

Inventories of the Founding Group represented 31% of the consolidated total assets as of December 31, 2023. 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 (13) 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, 2023 and 2022 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:

- 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 the 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, 2023 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.

Financial Supervisory Commission Approval

Document Ref.

No. FSC Sheng-Zi 1080321204

No. FSC Sheng-Zi 1000028068

March 14, 2024

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#### Founding Construction Development Corp. and Subsidiaries

**Consolidated Balance Sheets** December 31, 2023 and 2022 Unit: NT\$ thousands

Chairman: Liu Hsin-Hsiung

|              |  | December 31, 2023    |              | ecember 31, 2023 December 31. |              |  |
|--------------|--|----------------------|--------------|-------------------------------|--------------|--|
| Code         | ASSETS   | Amount               | %            | Amount                        | %            |  |
|              | CURRENT ASSETS   |                      |              |                               |              |  |
| 1100         | Cash and cash equivalents (Note 6)   | \$ 3,289,195         | 28           | \$ 2,992,800                  | 24           |  |
| 1110         | Financial assets at fair value through profit or loss - current (Notes 7 and 30)                 | 45 022               |              | 86,895                        | 1            |  |
| 1150         | Notes receivable (Notes 9 and 24)  | 45,932<br>11,058     | -            | 5,949                         | 1            |  |
| 1170         | Accounts receivable (Notes 9 and 24)   | 11,926               | -            | 35,026                        | -<br>-       |  |
| 1197         | Finance lease receivables, net - current   | 5,064                | _            | 4,989                         | _            |  |
| 1220         | Current tax assets (Note 26)   | 53                   | -            | -                             | -            |  |
| 130X         | Inventories (Notes 10 and 32)  | 3,660,245            | 31           | 5,198,694                     | 41           |  |
| 1410         | Prepayments (Note 12)  | 24,170               | -            | 27,757                        | -            |  |
| 1476         | Other financial assets - current (Notes 13 and 32)   | 97,988               | 1            | 181,583                       | 1            |  |
| 1479         | Other current assets (Note 12)   | 4,973                | <del>_</del> | 5,220                         | <del>-</del> |  |
| 11XX         | Total current assets   | 7,150,604            | <u>60</u>    | 8,538,913                     | <u>67</u>    |  |
|              | NON GURDINE A GOREG  |                      |              |                               |              |  |
| 1517         | NON-CURRENT ASSETS   |                      |              |                               |              |  |
| 1517         | Financial assets at fair value through other comprehensive income - non-current (Notes 8 and 30) | 4,104                |              | 4,104                         |              |  |
| 1600         | Property, plant and equipment (Notes 14 and 32)  | 2,170,025            | 18           | 2,243,853                     | 18           |  |
| 1755         | Right-of-use assets (Note 15)  | 33,633               | 1            | 40,254                        | 10           |  |
| 1760         | Investment properties, net (Notes 16 and 32)   | 2,487,879            | 21           | 1,801,897                     | 14           |  |
| 1801         | Computer software, net   | 716                  | -            | 971                           | -            |  |
| 1840         | Deferred tax assets (Note 26)  | 6,279                | -            | 11,997                        | -            |  |
| 194D         | Long-term finance lease receivables, net   | 5,572                | -            | 10,636                        | -            |  |
| 1920         | Refundable deposits  | 4,039                | -            | 4,239                         | -            |  |
| 1975         | Net Defined Benefit Assets (Note 21)   | 6,019                | <del>_</del> | 1,008                         | <del>_</del> |  |
| 15XX         | Total non-current assets   | 4,718,266            | <u>40</u>    | 4,118,959                     | 33           |  |
|              |  |                      |              |                               |              |  |
| 1XXX         | Total assets   | <u>\$ 11,868,870</u> | <u>100</u>   | <u>\$ 12,657,872</u>          | <u>100</u>   |  |
| a .          | AAA DAA ARANGA AAAD FOAANTAA   |                      |              |                               |              |  |
| Code         | LIABILITIES AND EQUITY   |                      |              |                               |              |  |
| 2100         | CURRENT LIABILITIES  | ¢ 502.000            | _            | ¢ 1.160.000                   | 0            |  |
| 2100<br>2130 | Short-term borrowings (Notes 17 and 32) Contractual Liabilities (Note 24)                        | \$ 593,000           | 5            | \$ 1,168,000                  | 9<br>5       |  |
| 2150         | Notes payable (Note 18)  | 97,622<br>7,114      | 1            | 610,419<br>22,942             | 3            |  |
| 2170         | Accounts payable (Note 18)   | 111,637              | -<br>1       | 143,174                       | -<br>1       |  |
| 2219         | Other payables (Note 19)   | 75,880               | 1            | 77,394                        | 1            |  |
| 2230         | Current tax liabilities (Note 26)  | 65,496               | -            | 106,528                       | 1            |  |
| 2250         | Provisions - current (Note 20)   | 2,977                | _            | 2,977                         | -            |  |
| 2280         | Lease liabilities - current (Note 15)  | 24,289               | _            | 24,212                        | _            |  |
| 2320         | Current portion of long-term borrowings (Notes 17 and 32)  | 124,809              | 1            | 123,126                       | 1            |  |
| 2399         | Other current liabilities  | 2,306                | -            | 22,834                        | -            |  |
| 21XX         | Total current liabilities  | 1,105,130            | 9            | 2,301,606                     | <u> 18</u>   |  |
|              |  |                      |              |                               |              |  |
|              | NON-CURRENT LIABILITIES  |                      |              |                               |              |  |
| 2540         | Long-term borrowings (Notes 17 and 32)   | 1,091,018            | 9            | 1,215,369                     | 10           |  |
| 2570         | Deferred tax liabilities (Note 26)   | 3,121                | -            | 1,494                         | -            |  |
| 2580         | Lease liabilities - non-current (Note 15)  | 48,335               | 1            | 68,530                        | -            |  |
| 2640         | Net defined benefit liabilities - non-current (Note 21)  | -                    | -            | 3,678                         | -            |  |
| 2645         | Guarantee deposits   | 8,310                | <del></del>  | 7,997                         |              |  |
| 25XX         | Total non-current liabilities  | 1,150,784            | <u>10</u>    | 1,297,068                     | <u>10</u>    |  |
| 2XXX         | Total liabilities  | 2,255,914            | 10           | 3,598,674                     | 20           |  |
| 2ΛΛΛ         | Total habilities   | 2,233,914            | 19           | 3,390,074                     | 28           |  |
|              | EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Note 23)   |                      |              |                               |              |  |
|              | Capital stock  |                      |              |                               |              |  |
| 3110         | Ordinary shares  | 2,852,450            | 24           | 2,852,450                     | 23           |  |
|              | Capital surplus  |                      |              |                               |              |  |
| 3210         | Shares premium   | 20,894               | -            | 20,894                        | -            |  |
| 3220         | Treasury shares transactions   | 236                  |              | 236                           | <u>-</u> _   |  |
| 3200         | Total capital surplus  | 21,130               | <u>-</u>     | 21,130                        |              |  |
|              | Retained earnings  |                      |              |                               |              |  |
| 3310         | Legal reserve  | 1,180,904            | 10           | 1,079,098                     | 9            |  |
| 3320         | Special reserve  | -                    | -            | 966                           | -            |  |
| 3350         | Unappropriated earnings  | 5,558,472            | <u>47</u>    | 5,105,554                     | <u>40</u>    |  |
| 3300         | Total retained earnings  | 6,739,376            | 57           | 6,185,618                     | <u>49</u>    |  |
| 31XX         | Total equity attributable to owners of the company   | 9,612,956            | <u>81</u>    | 9,059,198                     | <u>72</u>    |  |
|              |  |                      |              |                               | <b>-</b> -   |  |
| 3XXX         | Total equity   | <u>9,612,956</u>     | 81           | 9,059,198                     | <u>72</u>    |  |
|              | Total liabilities and equity   | h 44 0 - 0           | 400          | d 12                          | 4.00         |  |
|              | Total liabilities and equity   | <u>\$ 11,868,870</u> | <u>100</u>   | <u>\$ 12,657,872</u>          | <u>100</u>   |  |

The accompanying notes are an integral part of the consolidated financial statements. Manager: Tsao Lo-Fang

#### Founding Construction Development Corp. and Subsidiaries

**Consolidated Statements of Comprehensive Income For the years ended December 31, 2023 and 2022** 

**Unit: NT\$ thousands, except for earnings per share (in NT\$)** 

|              |   | 2023                      |               | 2022                      |               |
|--------------|---|---------------------------|---------------|---------------------------|---------------|
| Code         |   | Amount                    | %             | Amount                    | %             |
|              | OPERATING REVENUE                                 |                           |               |                           |               |
|              | (Notes 24 and 35)                                 |                           |               |                           |               |
| 4300         | Rental revenue                                    | \$ 31,434                 | 1             | \$ 28,003                 | 1             |
| 4410         | Hospitality service                               | 405.020                   | 11            | 250.226                   | 7             |
| 4500         | revenue Construction revenue                      | 405,930<br>3,326,474      | 11<br>88      | 350,226<br>4,437,419      | 7<br>92       |
| 4000         | Total operating                                   | 3,320,474                 | 00            | 4,437,419                 | <u>92</u>     |
| 4000         | revenue   | 3,763,838                 | 100           | 4,815,648                 | 100           |
|              | OPERATING COSTS (Notes 10 and 25)                 |                           |               |                           |               |
| 5300         | Rental costs                                      | ( 9,115)                  | -             | ( 9,562)                  | -             |
| 5410         | Hospitality service cost                          | ( 262,387)                | (7)           | ( 267,474)                | ( 6)          |
| 5500         | Construction costs                                | $(\underline{2,261,022})$ | ( <u>60</u> ) | $(\underline{3,240,850})$ | ( <u>67</u> ) |
| 5000         | Total operating costs                             | (_2,532,524)              | ( <u>67</u> ) | (_3,517,886)              | (73)          |
| 5900         | Gross Profit                                      | 1,231,314                 | 33            | 1,297,762                 | 27            |
| 6000         | OPERATING EXPENSES (Note 25)                      | (228,923)                 | ( <u>6</u> )  | (264,948)                 | ( <u>6</u> )  |
| 6900         | Net Operating Income                              | 1,002,391                 | 27            | 1,032,814                 | 21_           |
|              | NON-OPERATING INCOME<br>AND EXPENSES (Note<br>25) |                           |               |                           |               |
| 7100         | Interest income                                   | 17,565                    | -             | 4,379                     | -             |
| 7010         | Other income                                      | 5,585                     | -             | 17,803                    | <del>-</del>  |
| 7020         | Other gains and losses                            | 26,460                    | 1             | 214,220                   | 5             |
| 7050<br>7000 | Finance costs                                     | (3,651)                   |               | (3,973)                   |               |
| 7000         | Total non-operating income and                    |                           |               |                           |               |
|              | expenses  | 45,959                    | 1             | 232,429                   | 5             |
| 7900         | Net income before tax                             | 1,048,350                 | 28            | 1,265,243                 | 26            |
| 7950         | Income tax expense (Note 26)                      | (158,807)                 | (4)           | (250,545)                 | (5)           |
| 8200         | NET INCOME FOR THE YEAR                           | 889,543                   | 24            | 1,014,698                 | _ 21          |

|      |  | 2023              |           | 2022                |              |  |
|------|--|-------------------|-----------|---------------------|--------------|--|
| Code |  | Amount            | %         | Amount              | %            |  |
|      | OTHER COMPREHENSIVE                    |                   |           |                     |              |  |
|      | INCOME (LOSS) (Notes                   |                   |           |                     |              |  |
|      | 21 and 26)                             |                   |           |                     |              |  |
| 8310 | Items that will not be                 |                   |           |                     |              |  |
|      | reclassified                           |                   |           |                     |              |  |
|      | subsequently to profit                 |                   |           |                     |              |  |
| 0011 | or loss                                |                   |           |                     |              |  |
| 8311 | Remeasurement of                       |                   |           |                     |              |  |
|      | defined benefit                        | ¢ 0.126           |           | ¢ 4106              |              |  |
| 8349 | plans                                  | \$ 8,136          | -         | \$ 4,196            | -            |  |
| 8349 | Income tax relating to items that will |                   |           |                     |              |  |
|      | not be reclassified                    |                   |           |                     |              |  |
|      | subsequently to                        |                   |           |                     |              |  |
|      | profit or loss                         | (1,627)           | _         | ( 839)              | _            |  |
| 8300 | Other                                  | (                 |           | (                   |              |  |
|      | comprehensive                          |                   |           |                     |              |  |
|      | income for the                         |                   |           |                     |              |  |
|      | year, net of                           |                   |           |                     |              |  |
|      | income tax                             | 6,509             |           | 3,357               | <del>_</del> |  |
|      |  |                   |           |                     |              |  |
| 8500 | TOTAL COMPREHENSIVE                    |                   |           |                     |              |  |
|      | INCOME FOR THE YEAR                    | <u>\$ 896,052</u> | <u>24</u> | <u>\$ 1,018,055</u> | 21           |  |
|      | EARNINGS PER SHARE                     |                   |           |                     |              |  |
|      | (Note 27)                              |                   |           |                     |              |  |
|      | From continuing                        |                   |           |                     |              |  |
|      | operations                             |                   |           |                     |              |  |
| 9710 | Basic                                  | <u>\$ 3.12</u>    |           | \$ 3.56             |              |  |
| 9810 | Diluted                                | <u>\$ 3.11</u>    |           | <u>\$ 3.55</u>      |              |  |

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

Chairman: Liu Hsin-Hsiung Manager: Tsao Lo-Fang Accounting Officer: Cheng Yen-Fen

#### Founding Construction Development Corp. and Subsidiaries

Consolidated Statements of Changes in Equity For the years ended December 31, 2023 and 2022

**Unit: NT\$ thousands** 

|                 | EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY  |              |                     |                  |                 |                     |                   |                                 |                      |
|-----------------|---|--------------|---------------------|------------------|-----------------|---------------------|-------------------|---------------------------------|----------------------|
|                 | _   | Capit        | al stock            | Capital          | surplus         |                     | Retained earnings |                                 |                      |
|                 |   | Shares (In   |                     |                  | Treasury shares |                     |                   | Unappropriated                  |                      |
| Code            | <del>-</del>  | Thousands)   | Ordinary shares     | Shares premium   | transactions    | Legal reserve       | Special reserve   | earnings                        | Total equity         |
| A1              | Balance as of January 1, 2022   | 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   | -            | -                   | -                | -               | 100,204             | -                 | ( 100,264)                      | -                    |
| DS              | shareholders  | -            | -                   | -                | -               | -                   | -                 | ( 285,244)                      | ( 285,244)           |
| D1              | Net income for 2022   | -            | -                   | -                | -               | -                   | -                 | 1,014,698                       | 1,014,698            |
| D3              | After-tax other comprehensive income for 2022   | <del>-</del> |                     | <del>-</del>     |                 | <u> </u>            |                   | 3,357                           | 3,357                |
| D5              | Total comprehensive income in 2022  | <del>-</del> | <del>_</del>        | <del>-</del>     | <del>_</del>    | <del>-</del>        |                   | 1,018,055                       | 1,018,055            |
| <b>Z</b> 1      | Balance as of December 31, 2022   | 285,245      | 2,852,450           | 20,894           | 236             | 1,079,098           | 966               | 5,105,554                       | 9,059,198            |
| B1<br>B17<br>B5 | Appropriation and distribution of retained earnings for 2022 Legal reserve Special reserve Cash dividends to shareholders | -<br>-<br>-  | -<br>-              | -<br>-<br>-      | -<br>-<br>-     | 101,806<br>-<br>-   | -<br>( 966)<br>-  | ( 101,806)<br>966<br>( 342,294) | -<br>-<br>( 342,294) |
| D1              | Net income for 2023   | -            | -                   | -                | -               | -                   | -                 | 889,543                         | 889,543              |
| D3              | After-tax other comprehensive income for 2023   | <del></del>  |                     | <del>-</del>     | <del>-</del>    | <del>-</del>        | <u>-</u> _        | 6,509                           | 6,509                |
| D5              | Total comprehensive income in 2023  | <u> </u>     |                     | <del>_</del>     |                 | <u> </u>            | <del>_</del>      | <u>896,052</u>                  | <u>896,052</u>       |
| <b>Z</b> 1      | Balance as of December 31, 2023   | 285,245      | <u>\$ 2,852,450</u> | <u>\$ 20,894</u> | <u>\$ 236</u>   | <u>\$ 1,180,904</u> | <u>\$</u>         | <u>\$ 5,558,472</u>             | <u>\$ 9,612,956</u>  |

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

Chairman: Liu Hsin-Hsiung

Manager: Tsao Lo-Fang

Accounting Officer: Cheng Yen-Fen

#### Founding Construction Development Corp. and Subsidiaries

#### Consolidated Statements of Cash Flows For the years ended December 31, 2023 and 2022 Unit: NT\$ thousands

| Code   |   |    | 2023      |    | 2022      |
|--------|---|----|-----------|----|-----------|
|        | CASH FLOWS FROM OPERATING   |    |           | _  |           |
|        | ACTIVITIES  |    |           |    |           |
| A10000 | Net income before tax for the year                                | \$ | 1,048,350 | \$ | 1,265,243 |
| A20010 | Adjustments for:  |    |           |    |           |
| A20100 | Depreciation expenses   |    | 70,699    |    | 67,647    |
| A20200 | Amortization expenses   |    | 501       |    | 354       |
| A20400 | Net (gain) loss on financial assets and liabilities at fair value |    |           |    |           |
|        | through profit or loss  | (  | 27,908)   |    | 34,001    |
| A20900 | Finance costs   |    | 3,651     |    | 3,973     |
| A21200 | Interest income   | (  | 17,565)   | (  | 4,379)    |
| A21300 | Dividend income   | (  | 4,818)    | (  | 10,057)   |
| A22500 | Gain on disposal of property,                                     |    |           |    |           |
|        | plant and equipment   |    | -         | (  | 778)      |
| A29900 | Gain on lease modification  |    | -         | (  | 158)      |
| A29900 | Gains arising from sale and lease                                 |    |           |    |           |
|        | back of rights transferred  |    | -         | (  | 247,794)  |
| A30000 | Net changes in operating assets and                               |    |           |    |           |
|        | liabilities   |    |           |    |           |
| A31130 | Notes receivable  | (  | 5,109)    |    | 10,611    |
| A31150 | Accounts receivable   |    | 23,100    | (  | 23,563)   |
| A31200 | Inventories   |    | 1,601,454 |    | 2,062,604 |
| A31230 | Prepayments   |    | 3,587     |    | 5,828     |
| A31240 | Other current assets  |    | 247       |    | 2,305     |
| A31250 | Other financial assets - current                                  |    | 83,595    |    | 25,305    |
| A32125 | Contract liabilities  | (  | 512,797)  |    | 255,440   |
| A32130 | Notes payable   | (  | 15,828)   |    | 15,420    |
| A32150 | Accounts payable  | (  | 31,537)   |    | 5,885     |
| A32180 | Other payables  | (  | 171)      | (  | 24,933)   |
| A32230 | Other current liabilities   | (  | 20,528)   |    | 3,936     |
| A32240 | Defined benefit liability, net -                                  |    |           |    |           |
|        | non-current   | (_ | 553)      | (_ | 4,215)    |
| A33000 | Cash generated from operations                                    |    | 2,198,370 |    | 3,442,675 |
| A33500 | Income taxes paid   | (_ | 194,174)  | (_ | 180,949)  |
| AAAA   | Net cash generated from   |    |           |    |           |
|        | operating activities  | _  | 2,004,196 | _  | 3,261,726 |

(Continued on the next page)

#### (Continued from the previous page)

| Code             |  |    | 2023              |    | 2022       |  |
|------------------|--|----|-------------------|----|------------|--|
|                  | CASH FLOWS FROM INVESTING  |    |                   |    |            |  |
|                  | ACTIVITIES   |    |                   |    |            |  |
| B00030           | Proceeds from capital reduction of financial                             |    |                   |    |            |  |
|                  | assets at fair value through other                                       |    |                   |    |            |  |
|                  | comprehensive income   | \$ | 481               | \$ | -          |  |
| B00100           | Acquisition of financial assets at fair value                            |    |                   |    |            |  |
|                  | through profit or loss   | (  | 25,827)           | (  | 179,877)   |  |
| B00200           | Disposal of financial assets at fair value                               |    |                   |    |            |  |
| D00 400          | through profit or loss   |    | 94,217            |    | 125,863    |  |
| B02600           | Proceeds from disposal of non-current assets                             |    |                   |    | 620.020    |  |
| D02500           | held for sale  | ,  | - 0.70            | ,  | 620,039    |  |
| B02700           | Purchase of property, plant and equipment                                | (  | 9,978)            | (  | 6,105)     |  |
| B02800           | Proceeds from disposal of property, plant                                |    |                   |    | 922        |  |
| D02000           | and equipment  |    | 200               |    | 822        |  |
| B03800           | Decrease (Increase) in refundable deposits                               | (  | 200               | ,  | 703        |  |
| B04500<br>B05400 | Purchase of investment monorties   | (  | 246)              | (  | 500)       |  |
| B05400<br>B06100 | Purchase of investment properties  Decrease in finance lease receivables | (  | 724,737)<br>4,989 |    | 5,189      |  |
| B07500           | Interest received  |    | 4,989<br>17,565   |    | 4,105      |  |
| B07500<br>B07600 | Dividends received from others   |    | 4,818             |    | 10,057     |  |
| BBBB             | Net cash generated (used) from   |    | 4,010             |    | 10,037     |  |
| ממממ             | investing activities   | (  | 638,518)          |    | 580,296    |  |
|                  | investing detivities   | \  | 030,310           |    | 300,270    |  |
|                  | CASH FLOWS FROM FINANCING  |    |                   |    |            |  |
|                  | ACTIVITIES   |    |                   |    |            |  |
| C00100           | Increase in short-term borrowings  |    | 80,800            |    | 126,000    |  |
| C00200           | Decrease in short-term borrowings  | (  | 655,800)          | (  | 1,255,230) |  |
| C01600           | Proceeds from long-term borrowings                                       | `  | -                 | `  | 21,000     |  |
| C01700           | Repayments of long-term borrowings                                       | (  | 122,668)          | (  | 449,591)   |  |
| C03000           | Increase in guarantee deposits received                                  |    | 313               |    | 581        |  |
| C04020           | Payments of lease liabilities  | (  | 24,640)           | (  | 13,901)    |  |
| C04500           | Dividends paid to owners of the Company                                  | (  | 342,294)          | (  | 285,244)   |  |
| C05600           | Interest paid  | (  | <u>4,994</u> )    | (  | 4,651)     |  |
| CCCC             | Net cash used in financing activities                                    | (  | 1,069,283)        | (  | 1,861,036) |  |
| EEEE             | INCREASE IN CASH AND CASH  |    |                   |    |            |  |
|                  | EQUIVALENTS FOR THE YEAR   |    | 296,395           |    | 1,980,986  |  |
| E00100           | CASH AND CASH EQUIVALENTS,   |    |                   |    |            |  |
|                  | BEGINNING OF YEAR  |    | <u>2,992,800</u>  |    | 1,011,814  |  |
| E00200           | CASH AND CASH EQUIVALENTS, END OF  |    |                   |    |            |  |
|                  | YEAR   | \$ | <u>3,289,195</u>  | \$ | 2,992,800  |  |

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

Chairman: Liu Hsin-Hsiung Manager: Tsao Lo-Fang Accounting Officer: Cheng Yen-Fen

### Deloitte.

勤業眾信

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**Independent Auditors' Report** 

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, 2023 and 2022, 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, 2023 and 2022, 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, 2023. 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, 2023 are stated as follows:

#### Key Audit Matters I: Inventory Valuation

Inventories of Founding Construction Development Corp. represented 31% of the total parent company only assets as of December 31, 2023. 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, 2023 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

Financial Supervisory Commission Approval

Approval Document Ref.

Document Ref.

No. FSC Sheng-Zi 1080321204

No. FSC Sheng-Zi 1000028068

March 14, 2024

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#### **Founding Construction Development Corp.**

Parent Company Only Balance Sheet December 31, 2023 and 2022 Unit: NT\$ thousands

| Correction   Cor |      |   | December 31, 2                        |              | December 31, 20                       |            |
|--|------|---|---------------------------------------|--------------|---------------------------------------|------------|
| 100  | Code |   | Amount                                | <u></u>      | Amount                                | <u>%</u>   |
| 101  | 1100 |   | Φ 2.000.070                           | 2.4          | Φ 2541266                             | 21         |
| 150  |      | •   |                                       | 24           |                                       | 21         |
| 100  |      |   |                                       | -            |                                       | -          |
| 100  |      |   | 11,000                                | -            |                                       | -          |
| 1416   |      | ` '                                       | 2 (21 701                             | -            |                                       | -          |
| 1476   Other funestal ascests - current   88,841   1   173,577   1   1679   1670     |      |   |                                       | 31           |                                       | 42         |
| 1450   |      |   |                                       | -            |                                       | -          |
| NON_CURRENT ASSETS   |      |   |                                       | 1            |                                       | 1          |
| NON-CURRENT ASSETS   |      |   | · · · · · · · · · · · · · · · · · · · |              | · · · · · · · · · · · · · · · · · · · |            |
| 1550   Investments accounted for using the equity method (Note 10)   84,359   1   1   120,161   1   1600   1600   1   120,161   1   120,161   1   1600   1   120,161   1   120,161   1   120,161   1   120,161   1   120,161   1   120,161   1   120,161   1   120,161   1   120,161   1   120,161   1   120,161   1   120,161   1   120,161   1   120,161   1   120,161   1   120,161   1   1   120,161   1   1   120,161   1   1   1   1   1   1   1   1   1   | IIXX | Total current assets                      | 6,534,440                             | <u>56</u>    | 7,923,870                             | <u>64</u>  |
| Property, plant and equipment (Notes II and 29)  |      |   |                                       |              |                                       |            |
| 1755   Right-n-frace assets (Note 12)  |      |   |                                       | 5            |                                       | 4          |
| 1700   Investment properties, net (Notes 13 and 29)  |      |   | 84,359                                | 1            |                                       | 1          |
| 1780   brange  be seek   393   -   423   -   1840   -   1840   -   1840   -   1840   -   1840   -   1840   -   1840   -   1840   -   1840   -   1840   -   1840   -   1840   -   1840   -   1840   -   1840   -   1840   -     1840   -     1840   -     1840   -     1840   -     1840   -     1840   -     1840   -     1840   -     1840   -     1840   -     1840   -     1840   -     1840   -     1840   -     1840   -     1840   -     1840   -       1840   -     |      |   | -                                     | -            |                                       | -          |
| 1840   Deferred tax assers (Note 23)   .   |      |   |                                       | 38           |                                       | 31         |
| 1920   Refundable deposits   1.312   .   | 1780 |   | 393                                   | -            |                                       | -          |
| 1975   Net defined benefit liabilities (Note 18)   5.063.048   44   4.388.865   36     1555  | 1840 | Deferred tax assets (Note 23)             | 6,253                                 | -            | 11,973                                | -          |
| 15XX   | 1920 | Refundable deposits                       | 1,312                                 | -            | 1,850                                 | -          |
| Code   | 1975 | Net defined benefit liabilities (Note 18) | 4,803                                 |              |                                       |            |
| Code   | 15XX | Total non-current assets                  | 5,063,048                             | 44           | 4,388,865                             | <u>36</u>  |
| CURRENT LIABILITIES  | 1XXX | Total assets                              | <u>\$ 11,597,488</u>                  | 100          | <u>\$ 12,312,735</u>                  | <u>100</u> |
| CURREINT LIABILITTIES  | Code | LIABILITIES AND EQUITY                    |                                       |              |                                       |            |
| Short-term borrowings (Notes 14 and 29)  | -    |   |                                       |              |                                       |            |
| 1310   Contract liabilities (Note 21)  | 2100 |   | \$ 593,000                            | 5            | \$ 1,138,000                          | 9          |
| 1,223  |      |   |                                       |              |                                       | 5          |
| Note payable to related parties (Note 15 and 28)   |      | ` '                                       |                                       | _            |                                       | _          |
| Accounts payable (Note 15)   |      |   |                                       | _            |                                       | _          |
| 2180   |      |   |                                       | _            |                                       | _          |
| Current tax liabilities (Note 23)  |      |   |                                       | _            |                                       | 1          |
| Lease liabilities - current (Note 12)  |      | 1 ,                                       |                                       | 1            |                                       | 1          |
| 2219   |      |   | -                                     | -            |                                       | -          |
| 1,106   -   1,106   -   1,106   -   2,320   Current portion of long-term borrowings (Notes 14 and 29)   11,9462   1   117,843   1   1   1   1   1   1   1   1   1  |      | · · · · · · · · · · · · · · · · · · ·     | 31 775                                | _            |                                       | _          |
| 2320   Current portion of long-term borrowings (Notes 14 and 29)   119,462   1   117,843   1   2399   Other current liabilities   2,042   -   22,392   -   2,23 |      |   |                                       | _            |                                       | _          |
| 2399         Other current liabilities         2,042         -         22,392         -           21XX         Total current liabilities         964,601         8         2,111,893         17           NON-CURRENT LIABILITIES           2540         Long-term borrowings (Notes 14 and 29)         1,005,798         9         1,125,274         9           2570         Deferred tax liabilities (Note 23)         2,852         -         1,268         -           2640         Net defined benefit liabilities - non-current (Note 18)         -         -         3,678         -           2645         Guarantee deposits (Note 28)         11,281         -         11,424         -           25XX         Total non-current liabilities         1,019,931         9         1,141,644         9           2XXXX         Total liabilities         1,184,532         17         3,253,537         26           EQUITY (Note 20)           Capital surplus         2,852,450         25         2,852,450         23           3210         Shares premium         20,894         -         20,894         -           320         Teasury shares transactions         236         -         235         - <td></td> <td>, ,</td> <td></td> <td>1</td> <td></td> <td>1</td>  |      | , ,                                       |                                       | 1            |                                       | 1          |
| NON-CURRENT LIABILITIES   NOT COMPANY   NON-CURRENT LIABILITIES   NON-CURRENT LIABILITIES   NON-CURRENT LIABILITIES   NON-CURRENT LIABILITIES   NON-CURRENT LIABILITIES   NON-CURRENT LIABILITIES   NOR-CURRENT LIABILITIES   NO |      |   |                                       | _            |                                       | _          |
| Long-term borrowings (Notes 14 and 29)   |      |   | <del></del> -                         | 8            |                                       | 17         |
| Long-term borrowings (Notes 14 and 29)   |      | NON CUDDENT LIADU ITIES                   |                                       |              |                                       |            |
| Deferred tax liabilities (Note 23)   2,852   -   1,268   -     2640   Net defined benefit liabilities - non-current (Note 18)   -   -       2645   Guarantee deposits (Note 28)   11,281   -     2550   1,1281   -     2550   1,141,644   -     2550   250   1,141,644   -     2550   250   2,852,450   25     260   230   230     270   230   230     270   230   230     270   230   230     270   230   230     270   230   230     270   230   230     270   230   230     270   230   230     270   230   230     270   230   230     270   230   230     270   230   230     270   230   | 2540 |   | 1 005 709                             | 0            | 1 125 274                             | 0          |
| 2640         Net defined benefit liabilities - non-current (Note 18)         -         -         3,678         -           2645         Guarantee deposits (Note 28)         11,281         -         11,424         -           25XX         Total non-current liabilities         1,019,931         9         1,141,644         9           EQUITY (Note 20)           Capital stock           3110         Ordinary shares         2,852,450         25         2,852,450         23           Capital surplus         20,894         -         20,894         -           3200         Treasury shares transactions         236         -         236         -           3200         Total capital surplus         21,130         -         21,130         -           3310         Legal reserve         1,180,994         10         1,079,098         9           3320         Special reserve         1,180,994         10         1,079,098         9           3350         Unappropriated earnings         5,558,472         48         5,105,554         42           3300         Total retained earnings         6,739,376         58         6,185,618         51           33XX  |      |   |                                       | 9            |                                       | 9          |
| 2645         Guarantee deposits (Note 28)         11,281         -         11,424         -           25XX         Total non-current liabilities         1,019,931         9         1,141,644         9           2XXXX         Total liabilities         1,984,532         17         3,253,537         26           EQUITY (Note 20)           Capital stock           3110         Ordinary shares         2,852,450         25         2,852,450         23           Capital surplus           3210         Shares premium         20,894         -         20,894         -           3200         Total capital surplus         21,130         -         21,130         -           3200         Total capital surplus         21,130         -         21,130         -           3310         Legal reserve         1,180,904         10         1,079,098         9           3320         Special reserve         1,180,904         10         1,079,098         9           3350         Unappropriated earnings         5,558,472         48         5,105,554         42           3300         Total retained earnings         6,739,376         58         6,185,618         51 </td <td></td> <td></td> <td>2,852</td> <td>-</td> <td></td> <td>-</td>   |      |   | 2,852                                 | -            |                                       | -          |
| Total non-current liabilities   1,019,931   9   1,141,644   9  |      | · · · · · · · · · · · · · · · · · · ·     | 11 201                                | -            |                                       | -          |
| EQUITY (Note 20)       Capital stock         3110 Ordinary shares       2,852,450       25       2,852,450       23         Capital surplus         3210 Shares premium       20,894       -       20,894       -         3220 Treasury shares transactions       236       -       236       -         3200 Total capital surplus       21,130       -       21,130       -         Retained earnings       1,180,904       10       1,079,098       9         3320 Special reserve       1,180,904       10       1,079,098       9         3320 Special reserve       -       -       966       -         3350 Unappropriated earnings       5,558,472       48       5,105,554       42         3300 Total retained earnings       6,739,376       58       6,185,618       51         3XXX       Total equity       9,612,956       83       9,059,198       74   |      |   | <u> </u>                              |              |                                       |            |
| EQUITY (Note 20)         Capital stock         3110 Ordinary shares       2,852,450       25       2,852,450       23         Capital surplus         3210 Shares premium       20,894       -       20,894       -         3220 Treasury shares transactions       236       -       236       -         3200 Total capital surplus       21,130       -       21,130       -         Retained earnings       3310 Legal reserve       1,180,904       10       1,079,098       9         3320 Special reserve       -       -       966       -         3350 Unappropriated earnings       5,558,472       48       5,105,554       42         3300 Total retained earnings       6,739,376       58       6,185,618       51         3XXX       Total equity       9,612,956       83       9,059,198       74  | 25XX | Total non-current liabilities             | 1,019,931                             | <u> </u>     | 1,141,644                             | <u> </u>   |
| Capital stock         3110       Ordinary shares       2,852,450       25       2,852,450       23         Capital surplus         3210       Shares premium       20,894       -       20,894       -         3220       Treasury shares transactions       236       -       236       -         3200       Total capital surplus       21,130       -       21,130       -         Retained earnings         3310       Legal reserve       1,180,904       10       1,079,098       9         3320       Special reserve       -       -       966       -         3350       Unappropriated earnings       5,558,472       48       5,105,554       42         3300       Total retained earnings       6,739,376       58       6,185,618       51         3XXX       Total equity       9,612,956       83       9,059,198       74   | 2XXX | Total liabilities                         | 1,984,532                             | <u>17</u>    | 3,253,537                             | <u>26</u>  |
| 3110 Ordinary shares       2,852,450       25       2,852,450       23         Capital surplus       20,894       -       20,894       -         3220 Treasury shares transactions       236       -       236       -         3200 Total capital surplus       21,130       -       21,130       -         Retained earnings       1,180,904       10       1,079,098       9         3320 Special reserve       -       -       966       -         3350 Unappropriated earnings       5,558,472       48       5,105,554       42         3300 Total retained earnings       6,739,376       58       6,185,618       51         3XXX       Total equity       9,612,956       83       9,059,198       74  |      |   |                                       |              |                                       |            |
| Capital surplus         3210       Shares premium       20,894       -       20,894       -         3220       Treasury shares transactions       236       -       236       -         3200       Total capital surplus       21,130       -       21,130       -         Retained earnings         3310       Legal reserve       1,180,904       10       1,079,098       9         3320       Special reserve       -       -       966       -         3350       Unappropriated earnings       5,558,472       48       5,105,554       42         3300       Total retained earnings       6,739,376       58       6,185,618       51         3XXX       Total equity       9,612,956       83       9,059,198       74  |      | •   |                                       |              |                                       |            |
| 3210       Shares premium       20,894       -       20,894       -         3220       Treasury shares transactions       236       -       236       -         3200       Total capital surplus       21,130       -       21,130       -         Retained earnings         3310       Legal reserve       1,180,904       10       1,079,098       9         3320       Special reserve       -       -       966       -         3350       Unappropriated earnings       5,558,472       48       5,105,554       42         3300       Total retained earnings       6,739,376       58       6,185,618       51         3XXX       Total equity       9,612,956       83       9,059,198       74  | 3110 | Ordinary shares                           | 2,852,450                             | <u>25</u>    | 2,852,450                             | 23         |
| 3220       Treasury shares transactions       236       -       236       -         3200       Total capital surplus       -       21,130       -       21,130       -         Retained earnings         3310       Legal reserve       1,180,904       10       1,079,098       9         3320       Special reserve       -       -       966       -         3350       Unappropriated earnings       5,558,472       48       5,105,554       42         3300       Total retained earnings       6,739,376       58       6,185,618       51         3XXX       Total equity       9,612,956       83       9,059,198       74  |      |   |                                       |              |                                       |            |
| Total capital surplus       21,130       -       21,130       -       21,130       -       21,130       -         Retained earnings       1,180,904       10       1,079,098       9         3320       Special reserve       -       -       966       -         3350       Unappropriated earnings       5,558,472       48       5,105,554       42         3300       Total retained earnings       6,739,376       58       6,185,618       51         3XXX       Total equity       9,612,956       83       9,059,198       74  | 3210 | Shares premium                            | 20,894                                | -            | 20,894                                | -          |
| Retained earnings         3310       Legal reserve       1,180,904       10       1,079,098       9         3320       Special reserve       -       -       -       966       -         3350       Unappropriated earnings       5,558,472       48       5,105,554       42         3300       Total retained earnings       6,739,376       58       6,185,618       51         3XXX       Total equity       9,612,956       83       9,059,198       74   | 3220 | Treasury shares transactions              | 236                                   | <del>-</del> | · · · · · · · · · · · · · · · · · · · |            |
| 3310       Legal reserve       1,180,904       10       1,079,098       9         3320       Special reserve       -       -       -       966       -         3350       Unappropriated earnings       5,558,472       48       5,105,554       42         3300       Total retained earnings       6,739,376       58       6,185,618       51         3XXX       Total equity       9,612,956       83       9,059,198       74   | 3200 | Total capital surplus                     | 21,130                                | <del>-</del> | 21,130                                |            |
| 3320       Special reserve       -       -       966       -         3350       Unappropriated earnings       5,558,472       48       5,105,554       42         3300       Total retained earnings       58       6,185,618       51         3XXX       Total equity       9,612,956       83       9,059,198       74   |      | Retained earnings                         |                                       |              |                                       |            |
| 3350       Unappropriated earnings       5,558,472       48       5,105,554       42         3300       Total retained earnings       6,739,376       58       6,185,618       51         3XXX       Total equity       9,612,956       83       9,059,198       74  | 3310 | Legal reserve                             | 1,180,904                             | 10           | 1,079,098                             | 9          |
|  | 3320 | Special reserve                           | -                                     | -            | 966                                   | -          |
|  | 3350 | Unappropriated earnings                   | 5,558,472                             | <u>48</u>    | 5,105,554                             | <u>42</u>  |
|  |      |   | · <u>·</u> ·                          | 58           | · · · · · · · · · · · · · · · · · · · | 51         |
| Total liabilities and equity <u>\$ 11,597,488</u> <u>100</u> <u>\$ 12,312,735</u> <u>100</u>   |      | •   | · <u>·</u> ·                          |              |                                       | 74         |
|  |      | Total liabilities and equity              | <u>\$ 11,597,488</u>                  | 100          | <u>\$ 12,312,735</u>                  | 100        |

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

Chairman: Liu Hsin-Hsiung

Manager: Tsao Lo-Fang

Accounting Officer: Cheng Yen-Fen

#### **Founding Construction Development Corp.**

Parent Company Only Statements of Comprehensive Income For the years ended December 31, 2023 and 2022

**Unit: NT\$ thousands, except for earnings per share (in NT\$)** 

|      |   | 2023           |               | 2022         |                    |
|------|---|----------------|---------------|--------------|--------------------|
| Code |   | Amount         | %             | Amount       | %                  |
|      | OPERATING REVENUE                               |                |               |              |                    |
|      | (Notes 21 and 28)                               |                |               |              |                    |
| 4300 | Rental revenue                                  | \$ 87,270      | 3             | \$ 86,521    | 2                  |
| 4500 | Construction revenue                            | 3,326,474      | <u>97</u>     | 4,437,419    | 98                 |
| 4000 | Total operating                                 |                |               |              |                    |
|      | revenue   | 3,413,744      | 100           | 4,523,940    | <u>100</u>         |
|      | OPERATING COSTS (Notes 8, 22 and 28)            |                |               |              |                    |
| 5300 | Rental costs                                    | ( 53,464)      | (2)           | ( 54,523)    | ( 1)               |
| 5500 | Construction costs                              | ( 2,338,473)   | (68)          | (_3,343,444) | (74)               |
| 5000 | Total operating costs                           | (2,391,937)    | ( <u>70</u> ) | (3,397,967)  | $(\underline{75})$ |
| 5900 | Gross Profit                                    | 1,021,807      | 30            | 1,125,973    | 25                 |
| 6000 | OPERATING EXPENSES                              |                |               |              |                    |
|      | (Notes 18, 22 and 28)                           | (147,301)      | (4)           | (178,925)    | ( <u>4</u> )       |
| 6900 | Net Operating Income                            | <u>874,506</u> | <u>26</u>     | 947,048      | 21                 |
|      | NON-OPERATING INCOME<br>AND EXPENSES (Notes 22) |                |               |              |                    |
| 7100 | Interest income                                 | 15,251         | -             | 3,542        | -                  |
| 7010 | Other income                                    | 352            | -             | 1,836        | -                  |
| 7020 | Other gains and losses                          | 391            | -             | 271,407      | 6                  |
| 7050 | Finance costs                                   | ( 170)         | -             | ( 134)       | -                  |
| 7070 | Shares of profits of                            |                |               |              |                    |
|      | subsidiaries, associates                        |                |               |              |                    |
|      | and joint ventures                              |                |               |              |                    |
|      | accounted for using the                         |                |               |              |                    |
|      | equity method                                   | <u>157,420</u> | 5             | 36,009       | 1                  |
| 7000 | Total non-operating                             |                |               |              |                    |
|      | income and                                      | . <u>-</u>     |               |              | _                  |
|      | expenses  | <u>173,244</u> | 5             | 312,660      | 7                  |

(Continued on the next page)

#### (Continued from the previous page)

|              |  | 2023               |           | 2022                |              |
|--------------|--|--------------------|-----------|---------------------|--------------|
| Code         |  | Amount             | %         | Amount              | %            |
| 7900         | Net income before tax for the year   | \$ 1,047,750       | 31        | \$ 1,259,708        | 28           |
| 7950         | Income tax expense (Note 23)   | (158,207)          | (5)       | (245,010)           | (6)          |
| 8200         | Net Income (Loss) for the Year   | 889,543            | <u>26</u> | 1,014,698           | 22           |
| 8310         | OTHER COMPREHENSIVE<br>INCOME/(LOSS) (Notes 23)<br>Items that will not be<br>reclassified subsequently |                    |           |                     |              |
| 8311         | to profit or loss  Remeasurement of  defined benefit  plans  | 7,917              |           | 2,534               |              |
| 8330         | Shares of other comprehensive income of subsidiaries, associates and joint ventures accounted          | 7,917              | -         | 2,334               | -            |
| 8349         | for using the equity method Income tax relating to items that will not be reclassified                 | 176                | -         | 1,330               | -            |
| 8300         | subsequently to<br>profit or loss<br>Other comprehensive   | (1,584)            | <u> </u>  | (507)               |              |
|              | income for the year,<br>net of income tax  | 6,509              |           | 3,357               | <del>-</del> |
| 8500         | TOTAL COMPREHENSIVE INCOME FOR THE YEAR  | \$ 896,052         | <u>26</u> | <u>\$ 1,018,055</u> |              |
|              | EARNINGS PER SHARE (Note 24)   |                    |           |                     |              |
| 9710<br>9810 | Basic<br>Diluted   | \$ 3.12<br>\$ 3.11 |           | \$ 3.56<br>\$ 3.55  |              |

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

Chairman: Liu Hsin-Hsiung Manager: Tsao Lo-Fang Accounting Officer: Cheng Yen-Fen

#### **Founding Construction Development Corp.**

Parent Company Only Statements of Changes in Equity For the years ended December 31, 2023 and 2022 Unit: NT\$ thousands

|                 |   | Capita         | l stock             | Capital          | surplus         |                     | Retained earnings |                                 |                     |
|-----------------|---|----------------|---------------------|------------------|-----------------|---------------------|-------------------|---------------------------------|---------------------|
| Code            |   | Shares         |                     |                  | Treasury shares |                     |                   | Unappropriated                  |                     |
|                 |   | (In Thousands) | Ordinary shares     | Shares premium   | transactions    | Legal reserve       | Special reserve   | earnings                        | Total equity        |
| A1              | Balance as of January 1, 2022   | 285,245        | \$ 2,852,450        | \$ 20,894        | \$ 236          | \$ 972,814          | \$ 966            | \$ 4,479,027                    | \$ 8,326,387        |
| B1<br>B5        | Appropriation and distribution of retained earnings for 2021 Legal reserve Cash dividends to shareholders                 | -<br>-         | -<br>-              | -<br>-           | -<br>-          | 106,284             | -<br>-            | ( 106,284)<br>( 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>            | <del>_</del>     | <del>-</del>    | <del>-</del>        |                   | 3,357                           | 3,357               |
| D5              | Total comprehensive income in 2022  | <del>_</del>   |                     | <del>-</del>     |                 | <del>-</del>        | <del>-</del>      | 1,018,055                       | 1,018,055           |
| <b>Z</b> 1      | Balance as of December 31, 2022   | 285,245        | 2,852,450           | 20,894           | 236             | 1,079,098           | 966               | 5,105,554                       | 9,059,198           |
| B1<br>B17<br>B5 | Appropriation and distribution of retained earnings for 2022 Legal reserve Special reserve Cash dividends to shareholders | -<br>-<br>-    | -<br>-<br>-         | -<br>-<br>-      | -<br>-<br>-     | 101,806<br>-<br>-   | -<br>( 966)<br>-  | ( 101,806)<br>966<br>( 342,294) | -<br>( 342,294)     |
| D1              | Net income for 2023   | -              | -                   | -                | -               | -                   | -                 | 889,543                         | 889,543             |
| D3              | After-tax other comprehensive income for 2023   |                | <del>_</del>        | <del>_</del>     | <del>_</del>    | <del>_</del>        | <del>_</del>      | 6,509                           | 6,509               |
| D5              | Total comprehensive income in 2023  | <del>_</del>   | <del>_</del>        | <del>_</del>     | , <del>_</del>  | <del>_</del>        | <del>_</del>      | 896,052                         | 896,052             |
| <b>Z</b> 1      | Balance as of December 31, 2023   | <u>285,245</u> | <u>\$ 2,852,450</u> | <u>\$ 20,894</u> | <u>\$ 236</u>   | <u>\$ 1,180,904</u> | <u>\$</u>         | <u>\$ 5,558,472</u>             | <u>\$ 9,612,956</u> |

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

Chairman: Liu Hsin-Hsiung Manager: Tsao Lo-Fang Accounting Officer: Cheng Yen-Fen

#### **Founding Construction Development Corp.**

Parent Company Only Statements of Cash Flows For the years ended December 31, 2023 and 2022

**Unit: NT\$ thousands** 

| Code   |   |     | 2023          |    | 2022      |
|--------|---|-----|---------------|----|-----------|
|        | CASH FLOWS FROM OPERATING ACTIVITIES  |     |               |    |           |
| A10000 | Net income before tax for the year  | \$  | 5 1,047,750   | \$ | 1,259,708 |
| A20010 | Adjustments for:  | 4   | 1,017,750     | Ψ  | 1,200,700 |
| A20100 | Depreciation expenses   |     | 55,648        |    | 57,713    |
| A20200 | Amortization expenses   |     | 149           |    | 12        |
| A20400 | Net loss (gain) on financial assets and liabilities at fair value                                     |     |               |    |           |
|        | through profit or loss  | (   | 1,638)        |    | 1,850     |
| A20900 | Finance costs   |     | 170           |    | 134       |
| A21200 | Interest income   | (   | 15,251)       | (  | 3,542)    |
| A22300 | Shares of profits of subsidiaries,<br>associates and joint ventures<br>accounted for using the equity |     |               |    |           |
|        | method  | (   | 157,420)      | (  | 36,009)   |
| A22700 | Gain on disposal of investment  |     |               |    |           |
|        | properties  |     | -             | (  | 271,279)  |
| A29900 | Gain on lease modification  |     | -             | (  | 2,323)    |
| A30000 | Net changes in operating assets and   |     |               |    |           |
|        | liabilities   | ,   | - 0-1         |    | 10 111    |
| A31130 | Notes receivable  | (   | 5,051)        |    | 10,611    |
| A31150 | Accounts receivable   |     | 25,631        | (  | 24,801)   |
| A31200 | Inventories   |     | 1,655,859     |    | 2,190,436 |
| A31230 | Prepayments   | (   | 1,233)        |    | 8,487     |
| A31240 | Other current assets  | (   | 1,846)        |    | 4,983     |
| A31250 | Other financial assets—current  |     | 84,716        |    | 12,720    |
| A32125 | Contract liabilities  | (   | 510,681)      |    | 271,706   |
| A32130 | Notes payable   | (   | 13,398)       |    | 14,631    |
| A32140 | Notes payable - related parties   |     | 5,513         |    | 13,912    |
| A32150 | Accounts payable  |     | 99            |    | 2,665     |
| A32160 | Accounts payable - related parties  | (   | 17,850)       | (  | 161,050)  |
| A32180 | Other payables  | (   | 11,957)       | (  | 18,756)   |
| A32230 | Other current liabilities   | (   | 20,350)       |    | 4,250     |
| A32240 | Net defined benefit liabilities -   |     |               |    |           |
|        | non-current   | (_  | <u>564</u> )  | (_ | 4,216)    |
| A33000 | Cash generated from operations  | ,   | 2,118,296     | ,  | 3,331,842 |
| A33500 | Income taxes paid   | (   | 188,902)      | (  | 179,105)  |
| AAAA   | Net cash generated from operating   | , _ | <del></del> , |    |           |
|        | activities  | _   | 1,929,394     | _  | 3,152,737 |

(Continued on the next page)

| Code   |  | 2023                | 2022                |
|--------|--|---------------------|---------------------|
|        | CASH FLOWS FROM INVESTING                  |                     |                     |
|        | ACTIVITIES                                 |                     |                     |
| B00100 | Acquisition of financial assets at fair    |                     |                     |
|        | value through profit or loss               | \$ -                | (\$ 5,040)          |
| B00200 | Disposal of financial assets at fair value |                     |                     |
|        | through profit or loss                     | 5,168               | 5,279               |
| B02700 | Purchase of property, plant and            |                     |                     |
|        | equipment                                  | ( 376)              | -                   |
| B03800 | Decrease in refundable deposits            | 538                 | 477                 |
| B04500 | Purchase of intangible assets              | (119)               | ( 435)              |
| B05400 | Purchase of investment properties          | (729,263)           | ( 5,300)            |
| B05500 | Disposal of investment properties          | -                   | 620,039             |
| B06100 | Decreases in finance lease receivables     | 13                  | 171                 |
| B07500 | Interest received                          | 15,238              | 3,529               |
| B07600 | Dividends received from subsidiaries       | 45,000              | 15,000              |
| BBBB   | Net cash generated from investing          |                     |                     |
|        | activities                                 | ( <u>663,801</u> )  | 633,720             |
|        | CASH FLOWS FROM FINANCING                  |                     |                     |
|        | ACTIVITIES                                 |                     |                     |
| C00100 | Increase in short-term borrowings          | 36,000              | 126,000             |
| C00200 | Decrease in short-term borrowings          | ( 581,000)          | ( 1,200,730)        |
| C01700 | Repayments of long-term borrowings         | ( 117,857)          | ( 424,743)          |
| C03100 | Guarantee deposits received                | ( 143)              | ( 1,209)            |
| C04020 | Payments of lease liabilities              | ( 477)              | ( 1,255)            |
| C04500 | Dividends paid to owners of the            | (                   | , ,                 |
|        | Company                                    | ( 342,294)          | ( 285,244)          |
| C05600 | Interest paid                              | ( 1,118)            | (1,209)             |
| CCCC   | Net cash used in financing activities      | (1,006,889)         | (1,788,390)         |
|        |  |                     |                     |
| EEEE   | NET INCREASE (DECREASE) IN CASH            |                     |                     |
|        | AND CASH                                   |                     |                     |
|        | EQUIVALENTS FOR THE YEAR                   | 258,704             | 1,998,067           |
| E00100 | CASH AND CASH EQUIVALENTS,                 |                     |                     |
|        | BEGINNING OF YEAR                          | 2,541,366           | 543,299             |
| E00200 |  |                     |                     |
| E00200 | CASH AND CASH EQUIVALENTS, END             |                     |                     |
|        | OF YEAR                                    | <u>\$ 2,800,070</u> | <u>\$ 2,541,366</u> |

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

Chairman: Liu Hsin-Hsiung Manager: Tsao Lo-Fang Accounting Officer: Cheng Yen-Fen

# Founding Construction Development Corp. Profit Distribution Statement Year 2023

unit: NT\$

|  | Amount        |                   |
|--|---------------|-------------------|
| Beginning Retained Earnings              | 4,662,420,118 |                   |
| Other Comprehensive Income recognized as | 6,509,221     |                   |
| Unappropriated Retained Eearnings        | 0,000,221     |                   |
| Adjusted Beginning Retained Earnings     | 4,668,929,339 |                   |
| Profit                                   | 889,542,702   |                   |
| Legal reserve                            | (89,605,192)  |                   |
| Distributable Net Profit                 | 5,468,866,849 |                   |
|  |               |                   |
| Distributable Items                      |               |                   |
| Shareholder Dividends (Cash)             | (342,293,933) | NT\$1.2 per share |
| Total                                    | (342,293,933) |                   |
| Unappropriated Retained Earnings         | 5,126,572,916 |                   |

Note: preemptive distribution of 2023 earnings

Chairman: Liu Hsin-Hsiung Manager: Liu Hua-Hsing 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
  - The notice regulated specified in the preceding paragraph may be in written, via e-mail or fax.
- Article 15-2: Board of Directors may set up any kind of functional committees based on requirements

of business operation. The number of personnel, term of offices, scope of duties and power and etc., shall be provided in the organic regulations of each committee, and be approved by the Board of Directors.

Article 16: Directors shall be entitled to compensation for their performance of duties of the Company regardless of profit or loss. The Board of Directors is authorized to determine the compensation based on the level of their participation in the Company's operations and value of their contribution and the standards generally adopted by the enterprises of the same industry. The Company shall distribute compensation in accordance with Article 19 of the Articles of Incorporation of the Company where the Company has a profit.

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

#### Chapter V – Managerial Officer

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

#### Chapter VI – Accounting

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

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

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

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

#### Appendix I

Directors attended by two-thirds or more of all the Directors to distribute dividends and bonuses in whole or in part in cash, and then report such distribution to the shareholders' meeting. Where distributing surplus profits by issuing new shares in accordance with the preceding paragraph, it shall be adopted by the resolution of the shareholders' meeting in accordance with Article 240 of the Company Act. About the distribution of dividends of the Company, the ratio for dividend in cash shall not be lower than 30% of total distribution.

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

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

Article 21: Matters not addressed in these Articles of Incorporation shall be governed by the Company Act and other applicable regulations.

Article 22: The Articles of Incorporation was enacted on April 12, 1991.

The first Amendment was adopted on September 21, 1994.

The second Amendment was adopted on September 23, 1994.

The third Amendment was adopted on July 25, 1995.

The fourth Amendment was adopted on March 21, 1997.

The fifth Amendment was adopted on August 12, 1997.

The sixth Amendment was adopted on April 30, 1999.

The seventh Amendment was adopted on April 28, 2000.

The eighth Amendment was adopted on April 26, 2002.

The ninth Amendment was adopted on April 29, 2003.

The tenth Amendment was adopted on May 6, 2005.

The eleventh Amendment was adopted on June 9, 2006.

The twelfth Amendment was adopted on June 15, 2007.

The thirteenth Amendment was adopted on April 7, 2008.

The fourteenth Amendment was adopted on June 23, 2009.

The fifteenth Amendment was adopted on June 9, 2011.

The sixteenth Amendment was adopted on June 5, 2012.

The seventeenth Amendment was adopted on June 6, 2014.

The eighteenth Amendment was adopted on June 6, 2016.

The nineteenth Amendment was adopted on June 6, 2017.

The twentieth Amendment was adopted on June 10, 2019.

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

FOUNDING CONSTRUCTION DEVELOPMENT CORP.

LIU, HSIN-HSIUNG Chairman

#### FOUNDING CONSTRUCTION DEVELOPMENT CORP.

#### (the "Company")

#### Rules of Procedure of Shareholders' Meeting

- 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 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.

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

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

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

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

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

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

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

Article 15: Vote monitoring and counting personnel for the voting on a proposal shall be appointed by the chairman, provided that all monitoring personnel shall be shareholders of the Company.

Vote counting for the Meeting proposals or elections shall be conducted in public at the place of the Meeting. Immediately after vote counting has been completed, the results of the voting, including the statistical tallies of the numbers of votes, shall be announced on-site at the meeting and recorded.

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

#### Appendix II

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

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

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

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

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

## Founding Construction Development Corp. Shareholding of Directors

- 1. The paid-in capital of the Company is NT\$ 2,852,449,440 and the total number of issued shares is 285,244,944 shares.
- 2. According to Article 26 of the "Securities and Exchange Act", the minimum number of shares to be held by all directors is 12,000,000 shares.
- 3. A list of the number of shares held by all directors recorded in the shareholder register as of April 11, 2023, the book closure date of this year, is provided as follows, showing full compliance with Article 26 of the "Securities and Exchange Act".

| Ti41-                   | N  | Date     | Term<br>of | Shareholding when Elected |        | Shareholding on book closure date |        |
|-------------------------|--|----------|------------|---------------------------|--------|-----------------------------------|--------|
| Title                   | Name   | Elected  | Service    | shares                    | %      | shares                            | %      |
| Chairman                | Syntain Corp.<br>Representative<br>Liu Hsin-Hsiung       | 6/9/2023 | 3 years    | 22,918,571                | 8.03%  | 22,918,571                        | 8.03%  |
| Vice<br>Chairman        | Syntain Corp.<br>Representative<br>Liu Min-Liang         | 6/9/2023 | 3 years    | 22,918,571                | 8.03%  | 22,918,571                        | 8.03%  |
| Director                | Syntain Foundation<br>Representative<br>Liu, Fang-Wen    | 6/9/2023 | 3 years    | 940,000                   | 0.33%  | 940,000                           | 0.33%  |
| Director                | Wenrui Investment<br>Representative<br>Chiang, Guang-Hui | 6/9/2023 | 3 years    | 549,209                   | 0.19%  | 549,209                           | 0.19%  |
| Director                | Liu, Hua-Hsing   | 6/9/2023 | 3 years    | 4,005,089                 | 1.40%  | 4,005,089                         | 1.40%  |
| Director                | Ho, Ming-Hui   | 6/9/2023 | 3 years    | 41,855                    | 0.01%  | 41,855                            | 0.01%  |
| Independent<br>Director | Lee, Shu-Lan   | 6/9/2023 | 3 years    | 13,680                    | 0.00%  | 13,680                            | 0.00%  |
| Independent<br>Director | Hung, Lung-Ping  | 6/9/2023 | 3 years    | 200,760                   | 0.07%  | 200,760                           | 0.07%  |
| Independent<br>Director | Lan, You-Liang   | 6/9/2023 | 3 years    | 0                         | 0.00%  | 0                                 | 0.00%  |
|                         | Total  |          |            | 28,669,164                | 10.05% | 28,669,164                        | 10.05% |

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.