

Continental Holdings Corporation
2022 Annual Shareholders' Meeting Minutes
(Translation)

Date and Time: 9:00 a.m., June 9th, 2022

Venue : B2, No. 108 Dun Hua S. Road, Sec. 1 Taipei (FUBON International Conference Center)

The Number of Shares of Attendance:

Attending shareholders and proxy represented 588,879,815 shares (including 572,465,311 shares which attended through electronic voting) accounting for 71.53% of the Company's 823,215,980 issued and outstanding shares.

Directors Present: Chairman Nita Ing, Ms. Helena Kuo (via video conference), Mr. John Huang (via video conference), Mr. Hsiung Chiang (via video conference), Independent Director Mr. Allen Lee (via video conference), Independent Director Mr. Frank Juang (via video conference), Independent Director Ms. Jolien Shu (via video conference)

In Attendance:

Lotus international Law Office: Mr. Edward Hwa-Inn Kai

KPMG: Mr. Chung-Che Chen

Chairperson: Ms. Nita Ing, the Chairman of the Board of Directors

Minute taker: Mr. Calvin Tsai

I. Call Meeting to Order: The aggregate shareholding of shareholders present in person or by proxy constituted a quorum. The Chairperson called the meeting to order.

II. Chairperson Remarks: (omitted)

III. Report Items

1. To report the distribution of 2021 employees' compensation and Directors' remuneration
(Proposed by the Board of Directors)

Explanatory Notes:

The Company's employees compensation and Directors remuneration for 2021 was approved at the 5th Meeting of the 5th Board of Directors in accordance with the Company Act and Article 29-1 of the CHC Articles of Incorporation. NT\$9,774,127 in cash was to be distributed as employee compensation while no Director's remuneration was to be issued.

Acknowledged

2. To report the distribution of 2021 cash dividend

(Proposed by the Board of Directors)

Explanatory Notes:

- (1) According to Article 31 of the Articles of Incorporation of the Company. The Board of Directors is authorized to distribute some or all of dividends and bonuses in cash. The distribution shall be reported to the shareholders' meeting.
- (2) The Company will distribute cash dividends of NT\$1,383,002,846 from 2021 earnings available for distribution at NT\$1.68 per share.
- (3) The cash dividends will be calculated based on the distribution ratio and rounded to NT\$ dollar. For the remainder less than NT\$1 will be distributed according the decimal number of the original distributed amount in descending order until the total distribution amount of cash dividends is met.
- (4) The Board of Directors has approved the distribution and authorized the Chairman to determine enact ex-dividend date, dividend payment date and handle all the matters related to the allocation of dividends based on the actual situation.

Acknowledged

IV. Approval and Discussion Items

1. Adoption of 2021 Business Report and Financial Statements

(Proposed by the Board of Directors)

Explanatory Notes:

The Company's 2021 Financial Statements (see Attachment I) were audited by independent auditors, Mr. Chung-Che Chen and Ms. Shu-Ying Chang of KPMG Taiwan. After reviewing these financial statements and 2021 Business Report (see Attachment I), the Company's Audit Committee found no inconsistencies, and then issued Audit

Committee's Review Report (see Attachment I).

Statement Summary :

Shareholder (Account Number 49440) inquired about CEC invested in Evergreen Steel Corporation and adjusted the group's organizational management restructure matters. The above questions were responded by the Chairman.

Resolved: Voting results for this proposal was as follows:

Total number of shareholder votes present during vote (including electronic votes):
588,866,815

Voting results	Number of shareholder votes	% of the total represented share present
Votes in favor	572,181,829 (Including 556,735,924 electronic votes)	97.16%
Vote against	214,866 (Including 214,866 electronic votes)	0.04%
Votes invalid	0	0.00%
Votes abstention /not votes	16,470,120 (Including electronic votes 15,514,521)	2.80%

RESOLVED, that the above proposal be and hereby was approved as proposed.

2. Adoption of the proposal for appropriation of 2021 earnings

(Proposed by the Board of Directors)

Explanatory Notes:

- (1) The proposed appropriation of 2021 earnings was approved by the Audit Committee and the Board of Directors of the Company.
- (2) The proposed 2021 earnings distribution table is as below.

Continental Holdings Corporation

2021 Earnings Distribution Table

Unit: NTD

Unappropriated Retained Earnings of Previous Years	4,268,853,909
Plus (Less)	
Remeasurement of Defined Benefit Obligation	(22,020,561)
Net Income of 2021	1,826,297,964
Earnings Available for Distribution	6,073,131,312
Less: Legal Reserve	(180,427,740)
Distribution Item:	
Cash Dividend to Common Shareholders@1.68	(1,383,002,846)
Unappropriated Retained Earnings	4,509,700,726

Chairman : Nita Ing

Manager : Cindy Chang

Chief Accountant : Eva Lin

Resolved: Voting results for this proposal was as follows:

Total number of shareholder votes present during vote (including electronic votes):
588,866,815

Voting results	Number of shareholder votes	% of the total represented share present
Votes in favor	572,471,839 (Including 557,025,934 electronic votes)	97.21%
Vote against	222,856 (Including 222,856 electronic votes)	0.04%
Votes invalid	0	0.00%
Votes abstention	16,172,120 (Including 15,216,521	2.75%

/not votes	electronic votes)	
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RESOLVED, that the above proposal be and hereby was approved as proposed.

3. Amendment to “Articles of Incorporation”

(Proposed by the Board of Directors)

Explanatory Notes:

According to the Article 172-2 of the Company Law, it is proposed to amend Article 12-1 of the Articles of Incorporation of the Company, which expressly stipulates that the shareholders' meeting of the Company may be convened by video conference or other means announced by the competent authority, the Comparison Table for “Articles of Incorporation” Before and After Revision is attached hereto as Attachment II.

Resolved: Voting results for this proposal was as follows:

Total number of shareholder votes present during vote (including electronic votes):

588,879,815

Voting results	Number of shareholder votes	% of the total represented share present
Votes in favor	568,288,209 (Including 552,847,304 electronic votes)	96.50%
Vote against	228,486 (Including 228,486 electronic votes)	0.04%
Votes invalid	0	0.00%
Votes abstention /not votes	20,363,120 (Including 19,389,521 electronic votes)	3.46%

RESOLVED, that the above proposal be and hereby was approved as proposed.

4. Amendment to “Procedures for Acquisition and Disposal of Asset”

(Proposed by the Board of Directors)

Explanatory Notes:

It is proposed to amend the “Procedures for Acquisition and Disposal of Assets” in response to Order No. 1110380465 "Amendments to Regulations Governing the Acquisition and Disposal of Assets by public Companies" issued by the Financial Regulatory Commission on 28 January 2022, and to address the company's needs. The Comparison Table for “Procedures for Acquisition and Disposal of Assets” Before and After Revision is attached hereto as Attachment III

Resolved: Voting results for this proposal was as follows:

Total number of shareholder votes present during vote (including electronic votes):
588,879,815

Voting results	Number of shareholder votes	% of the total represented share present
Votes in favor	568,270,031 (Including 552,829,126 electronic votes)	96.50%
Vote against	245,764 (Including 245,764 electronic votes)	0.04%
Votes invalid	0	0.00%
Votes abstention /not votes	20,364,020 (Including 19,390,421 electronic votes)	3.46%

RESOLVED, that the above proposal be and hereby was approved as proposed.

Statement Summary :

Shareholder (Account Number 5753) expressed his opinions on the overseas investment matters.

The above questions and suggestions were responded by the Chairman.

V. Other Business and Extempore Motion: None

VI. Adjourned : Meeting adjourned at 9:39 a.m., June 9th, 2022

Note: The minutes of this shareholders' meeting shall record the essentials of the proceedings and their results in accordance with the of Article 183, Paragraph 4 of the Company Law, for the content and procedures of the meeting, meeting video and audio shall prevail.

Attachment I

2021 Business Report, Financial Statements and Audit Committee's Review Report

1. 2021 Business Report

Although Continental Holdings Corporation faced challenges from the supply chain and market environment in 2021, under the efforts of our colleagues taking as a whole and the support of customers and business partners, all three business segments, that is, construction engineering, real estate development and environmental project development & water treatment had achieved year-over-year growth in both revenue and profit compared to the same period in 2020. The consolidated revenue increased by 24% from NT\$21.689 billion in 2020 to NT\$26.844 billion in 2021; operating profit increased by 31% from NT\$1.762 billion in 2020 to NT\$2.303 billion in 2021. The net profit was NT\$1.826 billion and earnings per share were NT\$2.22 in 2021, representing an increase of 19% compared to 2020.

The construction engineering business (Continental Engineering Corporation) was awarded the "Taipei MRT North Circular Line CF680CSection project" and several private sector building projects in 2021 which boosted backlog to hit a record high of NT\$74 billion and formed a solid foundation for the revenue targets in the next few years. Currently major construction projects in progress includes "Taoyuan MRT Green Line", "Taipei MRT Wanda Line" and "Tainan Railway Underground", etc. CEC will strive continuously for rail projects, high-quality residential and commercial buildings projects, and assess prudently for new business frontier.

"Bountiful Journey" and "Serif" of the real estate development business (Continental Development Corporation) started handover upon completion in 2021. The pre-sale projects of "Tianjin Street Project", "Timeless and Modern Expression" and "Arranging New Asia Bay" were successfully sold out in 2021 while projects started pre-sale in 2021, that is, "Sensuous Garden", "Belle Époque" and "Prologue Eternal" also received widely acclaim by the market which uphold CDC's profit momentum. In 2022, CDC will recognize revenue from sold out projects "Bountiful Journey" and "Drawing the Dream Life", as well as other completed projects and will continue to develop new projects.

Both revenue and profit of environmental project development & water treatment business (HDEC Corporation) hit record high in 2021 mainly contributed by the construction of "Anping Reclaimed Water Plant" and "Tongluo Science Park Wastewater Treatment Plant". Completed and in operation at the end of 2021, "Kaohsiung Linhai Wastewater Treatment Plant and Reclaimed Water Plant" had provided a stable and high-quality water source for local industries. We will continue to construct and operate various water resources projects in 2022, and prudently evaluate other environmental engineering segments, such as, biomass energy and waste treatment.

At the end of 2021, CHC initiated an organization and management structure change to centralize the management on three directly owned subsidiaries. The flat organization and more centralized management structure will strengthen CHC's supervision and management authority and responsibility towards subsidiaries, simplify the hierarchy level for supervision, management, and decision-making towards subsidiaries, and empower each subsidiary's management team in business operations in order to enhance its accountability. We value the importance of environmental protection, social responsibility, and corporate governance (ESG), we also commit ourselves to improving energy efficiency, dedicating to reuse of water resources, promoting workplace safety, and realizing ethical management policies continuously. In prospect, we will continue to develop our core business with a more efficient and accountable organization, enhance corporate value, and continue to invest in promoting the sustainability of the company.

2. Continental Holdings Corporation Financial Statements

CONTINENTAL HOLDINGS CORPORATION

Balance Sheets

December 31, 2021 and 2020

(Expressed in Thousands of New Taiwan Dollars)

		December 31, 2021		December 31, 2020	
		Amount	%	Amount	%
Assets					
Current assets:					
1100	Cash and cash equivalents	\$ 724,893	3	204,159	1
1200	Other receivables	19,038	-	10,893	-
1220	Current tax assets	750	-	289	-
1410	Prepayments	112	-	74	-
		744,793	3	215,415	1
Non-current assets:					
1550	Investments accounted for using equity method	25,009,040	93	23,575,217	99
1600	Property, plant and equipment	2,498	-	1,944	-
1755	Right-of-use assets	16,861	-	30,181	-
1920	Guarantee deposits paid	1	-	1	-
1990	Other non-current assets, others	1,000,000	4	-	-
		26,028,400	97	23,607,343	99
Total assets		\$ 26,773,193	100	23,822,758	100

		December 31, 2021		December 31, 2020	
		Amount	%	Amount	%
Liabilities and Equity					
Current liabilities:					
2200	Other payables	\$ 39,108	-	24,093	-
2230	Current tax liabilities	118,625	-	-	-
2280	Current lease liabilities	14,039	-	13,885	-
2399	Other current liabilities, others	413	-	138	-
		172,185	-	38,116	-
Non-Current liabilities:					
2530	Bonds payable	1,997,110	8	-	-
2580	Non-current lease liabilities	3,747	-	17,786	-
2640	Net defined benefit liability, non-current	25,987	-	27,015	-
		2,026,844	8	44,801	-
	Total liabilities	2,199,029	8	82,917	-
Equity attributable to owners of parent:					
3100	Capital stock	8,232,160	31	8,232,160	35
3200	Capital surplus	6,817,198	25	6,813,745	29
3300	Retained earnings	9,281,503	35	8,629,727	36
3400	Other equity	243,303	1	64,209	-
	Total equity	24,574,164	92	23,739,841	100
	Total liabilities and equity	\$ 26,773,193	100	23,822,758	100

CONTINENTAL HOLDINGS CORPORATION

Statements of Comprehensive Income

For the years ended December 31, 2021 and 2020

(Expressed in Thousands of New Taiwan Dollars , Except for Earnings Per Common Share)

	2021		2020	
	Amount	%	Amount	%
4000 Operating revenue	\$ 2,050,426	100	1,555,241	100
5000 Operating costs	-	-	-	-
Gross profit from operations	2,050,426	100	1,555,241	100
Operating expenses				
6200 Administrative expenses	111,564	5	104,646	7
Net operating income	1,938,862	95	1,450,595	93
Non-operating income and expenses				
7100 Interest income	18,133	1	8,202	1
7020 Other gains and losses, net	12,433	-	8,790	1
7050 Finance costs, net	(24,377)	(1)	(527)	-
	6,189	-	16,465	2
Income before tax	1,945,051	95	1,467,060	95
7950 Less: Income tax expenses (income)	118,753	6	(71,483)	(5)
Net income	1,826,298	89	1,538,543	100
8300 Other comprehensive income (loss)				
8310 Item that will not be reclassified to profit or loss				
8311 Remeasurements of defined benefit plans	1,756	-	(1,632)	-
8330 Share of other comprehensive income of subsidiaries accounted for using equity method, components of other comprehensive income that will not be reclassified to profit or loss	253,673	13	218,568	14
8349 Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	5,505	-	(2,942)	-
Components of other comprehensive income that will not be reclassified to profit or loss	260,934	13	213,994	14
8360 Item that will be reclassified to profit or loss				
8380 Share of other comprehensive income of subsidiaries accounted for using equity method, components of other comprehensive income that will be reclassified to profit or loss	(103,860)	(5)	(220,350)	(14)
8399 Income tax related to components of other comprehensive income that will be reclassified to profit or loss	-	-	-	-
Components of other comprehensive income that will be reclassified to profit or loss	(103,860)	(5)	(220,350)	(14)
8300 Other comprehensive income (loss)	157,074	8	(6,356)	-
8500 Total comprehensive income	\$ 1,983,372	97	1,532,187	100
Earnings per share				
9750 Basic earnings per share	\$ 2.22		1.87	
9850 Diluted earnings per share	\$ 2.22		1.87	

Chairman : Nita Ing

Manager : Cindy Chang

Chief Accountant : Eva Lin

CONTINENTAL HOLDINGS CORPORATION

Statements of Changes in Equity

For the years ended December 31, 2021 and 2020

(Expressed in Thousands of New Taiwan Dollars)

	Retained earnings						Total other equity				
	Capital stock	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Total	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	Gains (losses) on hedging instruments	Total other	Total equity
Balance at January 1, 2020	\$ 8,232,160	6,804,435	781,407	2,262,233	4,447,383	7,491,023	(645,041)	728,286	(911)	82,334	22,609,952
Net income	-	-	-	-	1,538,543	1,538,543	-	-	-	-	1,538,543
Other comprehensive income (loss)	-	-	-	-	11,769	11,769	(220,350)	218,603	(16,378)	(18,125)	(6,356)
Total comprehensive income (loss)	-	-	-	-	1,550,312	1,550,312	(220,350)	218,603	(16,378)	(18,125)	1,532,187
Appropriation and distribution of retained earnings:											
Legal reserve appropriated	-	-	9,701	-	(9,701)	-	-	-	-	-	-
Cash dividends	-	-	-	-	(411,608)	(411,608)	-	-	-	-	(411,608)
Changes in equity of subsidiaries accounted for using equity method	-	9,310	-	-	-	-	-	-	-	-	9,310
Balance at December 31, 2020	8,232,160	6,813,745	791,108	2,262,233	5,576,386	8,629,727	(865,391)	946,889	(17,289)	64,209	23,739,841
Net income	-	-	-	-	1,826,298	1,826,298	-	-	-	-	1,826,298
Other comprehensive income (loss)	-	-	-	-	(22,020)	(22,020)	(103,860)	281,789	1,165	179,094	157,074
Total comprehensive income (loss)	-	-	-	-	1,804,278	1,804,278	(103,860)	281,789	1,165	179,094	1,983,372
Appropriation and distribution of retained earnings:											
Legal reserve appropriated	-	-	155,031	-	(155,031)	-	-	-	-	-	-
Cash dividends	-	-	-	-	(1,152,502)	(1,152,502)	-	-	-	-	(1,152,502)
Changes in equity of subsidiaries accounted for using equity method	-	3,453	-	-	-	-	-	-	-	-	3,453
Balance at December 31, 2021	<u>\$ 8,232,160</u>	<u>6,817,198</u>	<u>946,139</u>	<u>2,262,233</u>	<u>6,073,131</u>	<u>9,281,503</u>	<u>(969,251)</u>	<u>1,228,678</u>	<u>(16,124)</u>	<u>243,303</u>	<u>24,574,164</u>

Chairman : Nita Ing

Manager : Cindy Chang

Chief Accountant : Eva Lin

CONTINENTAL HOLDINGS CORPORATION

Statements of Cash Flows

For the years ended December 31, 2021 and 2020

(Expressed in Thousands of New Taiwan Dollars)

	2021	2020
Cash flows from operating activities:		
Income before tax	\$ 1,945,051	1,467,060
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	13,906	13,289
Interest expense	23,655	527
Interest income	(18,133)	(8,202)
Amortization of issuance costs on bonds payable	722	-
Loss on disposal of property, plant and equipment	-	73
Gain on reversal of estimated accounts payable	(7)	-
Investment revenues	(2,050,426)	(1,555,241)
Total adjustments to reconcile profit	(2,030,283)	(1,549,554)
Changes in operating assets and liabilities:		
Changes in operating assets:		
Other receivables	(772)	(917)
Prepayments	(38)	8
Total changes in operating assets	(810)	(909)
Changes in operating liabilities:		
Other payables	4,319	6,260
Other current liabilities	275	7
Net defined benefit liability	377	421
Total changes in operating liabilities	4,971	6,688
Total changes in operating assets and liabilities	4,161	5,779
Total adjustments	(2,026,122)	(1,543,775)
Cash outflow generated from operations	(81,071)	(76,715)
Interest received	10,275	9,264
Dividends received	785,720	719,973
Interest paid	(12,950)	(527)
Income taxes paid	(106)	(199,867)
Net cash flows from operating activities	701,868	452,128
Cash flows from investing activities:		
Acquisition of investments accounted for using equity method	(10,000)	(400,000)
Effect from disposal of subsidiaries	5	-
Proceeds from capital reduction of investments accounted for using equity method	-	400,000
Acquisition of property, plant and equipment	(1,140)	(1,140)
Disposal of property, plant and equipment	-	640
Increase in other non-current assets	(1,000,000)	-
Net cash flows used in investing activities	(1,011,135)	(500)
Cash flows from financing activities:		
Proceeds from issuing bonds	1,996,388	-
Payment of lease liabilities	(13,885)	(12,749)
Cash dividends paid	(1,152,502)	(411,608)
Net cash flows from (used in) financing activities	830,001	(424,357)
Net increase in cash and cash equivalents	520,734	27,271
Cash and cash equivalents at beginning of year	204,159	176,888
Cash and cash equivalents at end of year	\$ 724,893	204,159

Chairman : Nita Ing

Manager : Cindy Chang

Chief Accountant : Eva Lin

Independent Auditors' Report

To the Board of Directors of CONTINENTAL HOLDINGS CORPORATION:

Opinion

We have audited the financial statements of CONTINENTAL HOLDINGS CORPORATION ("the Company"), which comprise the balance sheets as of December 31, 2021 and 2020, the statements of comprehensive income, changes in equity and cash flows for the years then ended and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, based on our audits and the report of other auditors (please refer to Other Matter paragraph), the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2021 and 2020, and its financial performance and its 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 audit in accordance with the Regulations Governing Auditing and Certification of Financial Statements by Certified Public Accountants and the auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Certified Public Accountants Code of Professional Ethics in Republic of China ("the Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of 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 financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined that there are no key audit matters to be communicated in our report.

Other Matter

We did not audit the financial statements of investments measured by equity method of the Company. Those statements were audited by other auditors, whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for investments measured by equity method, are based solely on the reports of the other auditors. The financial statements of investments measured by equity method reflect total assets constituting 6.79% of the total assets at December 31, 2021. The related share of gain of subsidiaries accounted for using equity method constituted 1.87% of the income before tax for the year ended December 31, 2021.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with 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 financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company'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 Company or to cease operations, or has no realistic alternative but to do so.

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 generally accepted 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 financial statements.

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

1. Identify and assess the risks of material misstatement of the 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 Company's internal control.
3. Evaluate the appropriateness of accounting policies used 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 Company'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 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 Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

6. Obtain sufficient and appropriate audit evidence regarding the financial information of the investment in other entities accounted for using the equity method to express an opinion on this financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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 financial statements of the current period 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.

The engagement partners on the audit resulting in this independent auditors' report are Chung-Che Chen and Shu-Ying Chang.

KPMG

Taipei, Taiwan (Republic of China)

March 15, 2022

Chung-Che Chen and Shu-Ying Chang

3. Continental Holdings Corporation and Subsidiaries Consolidated Financial Statements

CONTINENTAL HOLDINGS CORPORATION AND SUBSIDIARIES

Consolidated Balance Sheets

December 31, 2021 and 2020

(Expressed in Thousands of New Taiwan Dollars)

		December 31, 2021		December 31, 2020	
		Amount	%	Amount	%
Assets					
Current assets:					
1100	Cash and cash equivalents	\$ 5,206,556	7	4,512,368	7
1139	Current financial assets for hedging	230,228	-	447,850	1
1140	Current contract assets	4,344,055	6	3,892,099	6
1150	Notes receivable, net	325,540	1	853,226	1
1170	Accounts receivable, net	3,153,462	4	2,035,690	3
1200	Other receivables, net	502,586	1	690,595	1
1220	Current tax assets	47,654	-	166,267	-
130X	Inventories	28,517,085	41	28,363,358	42
1410	Prepayments	902,225	1	752,773	1
1479	Other current assets, others	2,625,312	4	1,980,804	3
1480	Current assets recognised as incremental costs to obtain contract with customers	438,216	1	402,602	1
		46,292,919	66	44,097,632	66
Non-current assets:					
1510	Non-current financial assets at fair value through profit or loss	606,305	1	606,305	1
1517	Non-current financial assets at fair value through other comprehensive income	2,072,868	3	1,791,079	3
1550	Investments accounted for using equity method, net	1,413,928	2	745,537	1
1600	Property, plant and equipment	4,379,297	6	2,345,718	3
1755	Right-of-use assets	128,017	-	160,794	-
1760	Investment properties, net	8,683,500	12	10,192,584	15
1780	Intangible assets	1,108,196	2	1,135,804	2
1840	Deferred tax assets	38,470	-	35,066	-
1932	Long-term accounts receivable	5,443,311	8	5,808,017	9
1990	Other non-current assets, others	222,836	-	236,554	-
		24,096,728	34	23,057,458	34
Total assets		\$ 70,389,647	100	67,155,090	100

		December 31, 2021		December 31, 2020	
		Amount	%	Amount	%
Liabilities and Equity					
Current liabilities:					
2100	Short-term borrowings	\$ 9,398,912	13	10,024,080	15
2110	Short-term notes and bills payable	-	-	820,000	1
2126	Current financial liabilities for hedging	64	-	-	-
2130	Current contract liabilities	8,760,275	12	8,121,289	12
2170	Notes and accounts payable	6,989,726	10	5,784,460	9
2200	Other payables	1,936,715	3	1,989,830	3
2230	Current tax liabilities	142,533	-	69,699	-
2250	Current provisions	410,843	1	480,566	1
2280	Current lease liabilities	116,791	-	128,836	-
2310	Advance receipts	55,460	-	21,699	-
2320	Long-term liabilities, current portion	1,980,000	3	2,787,067	4
2399	Other current liabilities, others	65,125	-	132,030	-
		<u>29,856,444</u>	<u>42</u>	<u>30,359,556</u>	<u>45</u>
Non-Current liabilities:					
2530	Bonds payable	1,997,110	3	-	-
2540	Long-term borrowings	9,982,386	14	9,099,387	14
2570	Deferred tax liabilities	130,819	-	101,692	-
2580	Non-current lease liabilities	14,304	-	35,700	-
2610	Long-term accounts payable	311,400	1	320,400	1
2640	Net defined benefit liability, non-current	176,153	-	176,487	-
2645	Guarantee deposits received	142,738	-	141,508	-
		<u>12,754,910</u>	<u>18</u>	<u>9,875,174</u>	<u>15</u>
	Total liabilities	<u>42,611,354</u>	<u>60</u>	<u>40,234,730</u>	<u>60</u>
Equity attributable to owners of parent:					
3100	Capital stock	8,232,160	12	8,232,160	12
3200	Capital surplus	6,817,198	10	6,813,745	10
3300	Retained earnings	9,281,503	13	8,629,727	13
3400	Other equity	243,303	-	64,209	-
		<u>24,574,164</u>	<u>35</u>	<u>23,739,841</u>	<u>35</u>
36XX	Non-controlling interests(Note 6(i))	3,204,129	5	3,180,519	5
	Total equity	<u>27,778,293</u>	<u>40</u>	<u>26,920,360</u>	<u>40</u>
	Total liabilities and equity	<u>\$ 70,389,647</u>	<u>100</u>	<u>67,155,090</u>	<u>100</u>

Chairman : Nita Ing

Manager : Cindy Chang

Chief Accountant : Eva Lin

CONTINENTAL HOLDINGS CORPORATION AND SUBSIDIARIES

Consolidated Statements of Comprehensive Income

For the years ended December 31, 2021 and 2020

(Expressed in Thousands of New Taiwan Dollars , Except for Earnings Per Common Share)

	2021		2020	
	Amount	%	Amount	%
4000 Operating revenues	\$ 26,844,308	100	21,688,649	100
5000 Operating costs	22,954,778	86	18,396,746	85
Gross profit from operations	3,889,530	14	3,291,903	15
Operating expenses:				
6100 Selling expenses	426,013	2	389,861	2
6200 Administrative expenses	1,160,160	4	1,140,357	5
	1,586,173	6	1,530,218	7
Net operating income	2,303,357	8	1,761,685	8
Non-operating income and expenses:				
7100 Interest income	37,621	-	41,295	-
7010 Other income	165,998	1	203,496	1
7020 Other gains and losses, net	(81,422)	-	(43,618)	-
7050 Finance costs, net	(242,872)	(1)	(210,916)	(1)
7060 Share of profit (losses) of associates and joint ventures accounted for using equity method	3,391	-	(31,330)	-
	(117,284)	-	(41,073)	-
7900 Income before tax	2,186,073	8	1,720,612	8
7950 Less: Income tax expenses	318,803	1	87,675	-
Net income	1,867,270	7	1,632,937	8
8300 Other comprehensive income (loss):				
8310 Items that will not be reclassified to profit or loss				
8311 Remeasurements of defined benefit plans	(27,525)	-	14,711	-
8316 Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	281,789	1	218,603	1
8317 Gains (losses) on hedging instrument	1,165	-	(16,378)	-
8349 Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	5,505	-	(2,942)	-
Components of other comprehensive income that will not be reclassified to profit or loss	260,934	1	213,994	1
8360 Items that will be reclassified to profit or loss				
8361 Exchange differences on translation of foreign financial statements	(150,991)	(1)	(311,011)	(1)
8399 Income tax related to components of other comprehensive income that will be reclassified to profit or loss	-	-	-	-
Components of other comprehensive income that will be reclassified to profit or loss	(150,991)	(1)	(311,011)	(1)
8300 Other comprehensive income (loss)	109,943	-	(97,017)	-
Total comprehensive income	\$ 1,977,213	7	1,535,920	8
Net income, attributable to:				
8610 Owners of parent	\$ 1,826,298	7	1,538,543	8
8620 Non-controlling interests	40,972	-	94,394	-
	\$ 1,867,270	7	1,632,937	8
Total comprehensive income attributable to:				
8710 Owners of parent	\$ 1,983,372	7	1,532,187	8
8720 Non-controlling interests	(6,159)	-	3,733	-
	\$ 1,977,213	7	1,535,920	8
Earnings per share				
9750 Basic earnings per share (NT dollars)	\$ 2.22		1.87	
9850 Diluted earnings per share (NT dollars)	\$ 2.22		1.87	

Chairman : Nita Ing

Manager : Cindy Chang

Chief Accountant : Eva Lin

CONTINENTAL HOLDINGS CORPORATION AND SUBSIDIARIES

Consolidated Statements of Changes in Equity

For the years ended December 31, 2021 and 2020

(Expressed in Thousands of New Taiwan Dollars)

	Equity attributable to owners of parent												
	Capital stock		Retained earnings				Total other equity						
	Common Stock	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Total	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	Gains (losses) on hedging instruments	Total other equity	Total equity attributable to owners of parent	Non-controlling interests	Total equity
Balance at January 1, 2020	\$ 8,232,160	6,804,435	781,407	2,262,233	4,447,383	7,491,023	(645,041)	728,286	(911)	82,334	22,609,952	3,087,356	25,697,308
Net income	-	-	-	-	1,538,543	1,538,543	-	-	-	-	1,538,543	94,394	1,632,937
Other comprehensive income (loss)	-	-	-	-	11,769	11,769	(220,350)	218,603	(16,378)	(18,125)	(6,356)	(90,661)	(97,017)
Total comprehensive income(loss)	-	-	-	-	1,550,312	1,550,312	(220,350)	218,603	(16,378)	(18,125)	1,532,187	3,733	1,535,920
Appropriation and distribution of retained earnings:													
Legal reserve appropriated	-	-	9,701	-	(9,701)	-	-	-	-	-	-	-	-
Cash dividends	-	-	-	-	(411,608)	(411,608)	-	-	-	-	(411,608)	-	(411,608)
Changes in ownership interests in subsidiaries	-	9,310	-	-	-	-	-	-	-	-	9,310	(9,310)	-
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	98,740	98,740
Balance at December 31, 2020	8,232,160	6,813,745	791,108	2,262,233	5,576,386	8,629,727	(865,391)	946,889	(17,289)	64,209	23,739,841	3,180,519	26,920,360
Net income	-	-	-	-	1,826,298	1,826,298	-	-	-	-	1,826,298	40,972	1,867,270
Other comprehensive income (loss)	-	-	-	-	(22,020)	(22,020)	(103,860)	281,789	1,165	179,094	157,074	(47,131)	109,943
Total comprehensive income (loss)	-	-	-	-	1,804,278	1,804,278	(103,860)	281,789	1,165	179,094	1,983,372	(6,159)	1,977,213
Appropriation and distribution of retained earnings:													
Legal reserve appropriated	-	-	155,031	-	(155,031)	-	-	-	-	-	-	-	-
Cash dividends	-	-	-	-	(1,152,502)	(1,152,502)	-	-	-	-	(1,152,502)	-	(1,152,502)
Changes in ownership interests in subsidiaries	-	3,453	-	-	-	-	-	-	-	-	3,453	(3,453)	-
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	33,222	33,222
Balance at December 31, 2021	<u>\$ 8,232,160</u>	<u>6,817,198</u>	<u>946,139</u>	<u>2,262,233</u>	<u>6,073,131</u>	<u>9,281,503</u>	<u>(969,251)</u>	<u>1,228,678</u>	<u>(16,124)</u>	<u>243,303</u>	<u>24,574,164</u>	<u>3,204,129</u>	<u>27,778,293</u>

Chairman : Nita Ing

Manager : Cindy Chang

Chief Accountant : Eva Lin

CONTINENTAL HOLDINGS CORPORATION AND SUBSIDIARIES

Consolidated Statements of Cash Flows

For the years ended December 31, 2021 and 2020

(Expressed in Thousands of New Taiwan Dollars)

	2021	2020
Cash flows from operating activities:		
Income before tax	\$ 2,186,073	1,720,612
Adjustments:		
Adjustments to reconcile profit and loss:		
Depreciation expense	331,091	248,074
Amortization expense	63,618	61,181
Interest expense	242,150	210,916
Interest income	(37,621)	(41,295)
Dividend income	(115,045)	(112,685)
Amortization of issuance costs on bonds payable	722	-
Share of (gain) loss of associates and joint ventures accounted for using equity method	(3,391)	31,330
Gain on disposal of property, plant and equipment	(4,034)	(1,107)
Gain on disposal of property, plant and equipment (under construction costs)	(421)	(8,245)
Gain on disposal of investment properties	(2,783)	(5,393)
Gain on reversal of impairment loss of property, plants and equipment (under construction costs)	-	(73,000)
Reversal of provisions	(47,444)	(43,598)
Gain on reversal of estimated account payable	(4,856)	(206)
Total adjustments to reconcile profit and loss	421,986	265,972
Changes in operating assets and liabilities:		
Changes in operating assets:		
Contract assets	(37,990)	832,573
Notes receivable	527,686	(510,322)
Accounts receivable	(1,202,283)	(997,216)
Other receivables	78,623	86,969
Inventories	7,973	(2,940,593)
Prepayments	(151,851)	57,821
Other current assets	(179,794)	(109,052)
Current assets recognised as incremental costs to obtain contract with customers	(35,614)	(221,297)
Total changes in operating assets	(993,250)	(3,801,117)
Changes in operating liabilities:		
Contract liabilities	1,713,537	2,351,692
Notes and accounts payable	50,990	(74,429)
Other payables	(487,658)	(62,542)
Provisions	(21,295)	(13,299)
Receipts in advance	33,795	(12,058)
Other current liabilities	(66,874)	(1,898)
Net defined benefit liability	(22,354)	(28,439)
Total changes in operating liabilities	1,200,141	2,159,027
Total changes in operating assets and liabilities	206,891	(1,642,090)
Total adjustments	628,877	(1,376,118)
Cash inflow generated from operations	2,814,950	344,494
Interest received	35,779	48,948
Interest paid	(144,000)	(347,915)
Income taxes paid	(106,469)	(391,006)
Net cash flows from (used in) operating activities	2,600,260	(345,479)

	2021	2020
Cash flows from investing activities:		
Acquisition of financial assets for hedging	(394,703)	(490,398)
Disposal of financial assets for hedging	613,554	564,531
Price of associates acquisition	(665,000)	(175,000)
Acquisition of property, plant and equipment	(150,122)	(89,795)
Disposal of property, plant and equipment	5,704	81,128
Decrease in other receivables	109,267	89,940
Increase in other receivables	-	(60,334)
Increase in non-current other receivables	(170,744)	-
Acquisition of intangible assets	(36,010)	(47,332)
Acquisition of investment properties	(431,200)	(438,220)
Disposal of investment properties	2,783	5,393
Increase in other financial assets	(468,435)	-
Other non-current assets	(17,772)	(1)
Prepayments for business facilities	(54,787)	(249,082)
Dividends received	115,045	112,685
Long-term payments	-	4,275
Net cash flows used in investing activities	(1,542,420)	(692,210)
Cash flows from financing activities:		
Increase in short-term borrowings	16,178,895	25,458,386
Decrease in short-term borrowings	(16,701,028)	(23,393,488)
Increase in short-term notes and bills payable	2,965,000	6,740,000
Decrease in short-term notes and bills payable	(3,785,000)	(7,020,000)
Proceeds from issuing bonds	1,996,388	-
Increase in long-term borrowings	6,447,693	4,773,126
Decrease in long-term borrowings	(6,347,317)	(5,092,030)
Increase in guarantee deposits received	1,235	4,237
Payment of lease liabilities	(101,210)	(97,315)
Cash dividends paid	(1,231,780)	(447,868)
Increase in other payables	123,749	121,617
Change in non-controlling interests	112,500	135,000
Net cash flows (used in) from financing activities	(340,875)	1,181,665
Effect of exchange rate changes on cash and cash equivalents	(22,777)	(54,847)
Net increase in cash and cash equivalents	694,188	89,129
Cash and cash equivalents at beginning of year	4,512,368	4,423,239
Cash and cash equivalents at end of year	\$ 5,206,556	4,512,368

Chairman : Nita Ing

Manager : Cindy Chang

Chief Accountant : Eva Lin

Independent Auditors' Report

To the Board of Directors of CONTINENTAL HOLDINGS CORPORATION:

Opinion

We have audited the consolidated financial statements of Continental Holdings Corporation and its subsidiaries ("the Group"), which comprise the statement of consolidated financial position as of December 31, 2021 and 2020, the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, based on our audits and the reports of other auditors (please refer to Other Matter paragraph), the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2021 and 2020, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the International Financial Reporting Standards ("IFRSs"), International Accounting Standards ("IASs"), Interpretations developed by the International Financial Reporting Interpretations Committee ("IFRIC") or the former Standing Interpretations Committee ("SIC") endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audit in accordance with the Regulations Governing Auditing and Certification of Financial Statements by Certified Public Accountants and the auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Certified Public Accountants Code of Professional Ethics in Republic of China ("the Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. Based on our audits and the reports of other auditors, we believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis of 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 consolidated financial statements of the current period. 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. We have determined the matters described below to be the key audit matters to be communicated in our report.

1. Revenue recognition of construction contracts

Please refer to Note 4(r) for revenue from contracts with customers; Note 5 for recognition of revenue and measurement for the completed percentage of construction contracts; and Note 6(z) for construction contracts.

How the matter was addressed in our audit: As the budgets of construction contracts are highly related to the subjectively judgments of the managements, inaccuracy estimations for construction budgets may lead to significant changes in profit or loss of the financial reports. Therefore, there is a significant risk involved in the revenue recognition of construction contracts.

Our principal audit procedures included: selecting construction contracts that have significant impact on the presentation of the financial report; and for those construction budgets, assessing the managements' budget preparation process, acquired relevant materials in preparing the assumptions within the current period (including construction contract modification, design modification, and other documents with owners), and confirming whether the preparation of construction budget corresponds with the Group's internal authorization. In addition, selecting the valuation materials and checking their accuracy by recalculating the completed percentage of the construction cases, as well as executing the balance sheet cut off test.

2. Inventory evaluation

Please refer to Note 4(h) for accounting policy about inventory evaluation, Note 5 for estimation of inventory evaluation and Note 6(g) for inventory.

How the matter was addressed in our audit: The Group's inventories shall be stated at the lower of cost and net realizable value. At present, the real estate industry is affected by tax reformation and economic circumstances. There is a risk that the inventory cost may turn out to be higher than its net realization value.

Our principal audit procedures included: For construction cases in progress and real estate for sale, which is in accordance to the contract price for presale and the selling price of actual registering, assessing the differences between their booked value and fair value, and any possibility of their significant impact on the financial report, comparing with the investment analysis provided by the management, and reassessing according to the actual situation, there is no impairment.

Other Matter

In the Group's consolidated financial statements, we did not audit the financial statements of certain subsidiaries. Those statements audited by other auditors has been furnished to us, and our opinion, insofar as it relates to the amounts included for those subsidiaries, is based solely on the report of the other auditors. The financial statements of these subsidiaries reflect the total assets constituting 14.24% of the consolidated total assets at December 31, 2021, and the total revenues constituting 3.64% of the consolidated total revenues for the years ended December 31, 2021.

Continental Holdings Corporation has prepared its parent company only financial report for the years ended December 31, 2021 and 2020, and we have issued an unqualified opinion with other matter thereon and an unqualified opinion, respectively.

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 Regulations Governing the Preparation of Financial Reports by Securities Issuers and IFRSs, IASs, IFRC, SIC endorsed and issued into effect by the FSC, 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 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 Group or to cease operations, or has no realistic alternative but to do so.

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

Auditor's 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 auditor's 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 generally accepted 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 auditing standards generally accepted in the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
3. Evaluate the appropriateness of accounting policies used 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 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 auditor's 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 auditor's report. However, future events or conditions may cause the 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 and appropriate audit evidence regarding the financial information of the entities or business activities within the 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 audit opinion.

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 consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's 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.

The engagement partners on the audit resulting in this independent auditors' report are Chung-Che Chen and Shu-Ying Chang.

KPMG

Taipei, Taiwan (Republic of China)

March 15, 2022

Chung-Che Chen and Shu-Ying Chang

4. Audit Committee's Review Report

The Board of Directors has prepared the Company's 2021 Business Report, Financial Statements, and proposal for allocation of profits. The CPA of KPMG Taiwan was retained to audit Continental Holdings Corporation's Financial Statements and has issued an audit report relating to the Financial Statements. The Business Report , Financial Statements, and profits allocation proposal have been reviewed and determined to be correct and accurate by the Audit Committee members of Continental Holdings Corporation. According to Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Law, we hereby submit this Report

Continental Holdings Corporation

Chairman of the Audit Committee: Allen, Lee

March 15, 2022

Attachment II

Comparison Table for the Articles of Incorporation Before and After Revision

Amendments after	Amendments before	Remarks
<p><u>Article 12-1:</u> <u>The Company may have the shareholders meeting held by video conference or other methods announced by the competent authorities.</u> <u>The Company shall have the video conference of the shareholders meeting handled in accordance with the relevant law and regulations and the Company's Rules of Procedure for the Shareholders Meeting.</u></p>		<p>1. This Article is newly added. 2. The Company may have the shareholders meeting held by video conference or other methods announced by the competent authorities as stated in the Articles of Incorporation in accordance with the amendments made to Article 172-2 of the Company Act on December 29, 2021.</p>
<p>Article 35: The Articles of Incorporation was formulated on November 2, 2009. The 1st amendment was made on June 29, 2010. The 2nd amendment was made on May 25, 2012. The 3rd amendment was made on June 6, 2014. The 4th amendment was made on May 22, 2015. The 5th amendment was made on June 14, 2016. The 6th amendment was made on June 12, 2019. The 7th amendment was made on July 30, 2021. <u>The 8th amendment was made on June 9, 2022, will be executed after the resolutions reached in the shareholders meeting.</u></p>	<p>Article 35: The Articles of Incorporation was formulated on November 2, 2009. The 1st amendment was made on June 29, 2010. The 2nd amendment was made on May 25, 2012. The 3rd amendment was made on June 6, 2014. The 4th amendment was made on May 22, 2015. The 5th amendment was made on June 14, 2016. The 6th amendment was made on June 12, 2019. The 7th amendment was made on July 30, 2021, will be executed after the resolutions reached in the shareholders meeting.</p>	<p>Modified according to the amendment made to the Articles of Incorporation currently.</p>

Attachment III

Comparisons Table for the Procedures for Acquisition and Disposal of Assets Before and After Revision

After the Revision	Before the Revision	Remarks
<p>3. Scope of application</p> <p>The Company <u>and its subsidiary "Continental Consulting Limited Company"</u> should have the acquisition or disposal of assets handled in accordance with the Procedures. The matters not fully addressed in the Procedures, if any, shall be handled in accordance with the relevant law and regulations. The scope of application of the assets referred to in the Procedures is as follows.</p> <p>(Omitted hereinafter)</p>	<p>3. Scope of application</p> <p>The Company should have the acquisition or disposal of assets handled in accordance with the Procedures. The matters not fully addressed in the Procedures, if any, shall be handled in accordance with the relevant law and regulations. The scope of application of the assets referred to in the Procedures is as follows</p> <p>(Omitted hereinafter)</p>	<p>Amendments are made in response to the incorporation of "Continental Consulting Limited Company."</p>
<p>5.1 Procedures for the Acquisition and Disposal of Real Property, Equipment or the right-of-use Assets thereof</p> <p>5.1.1 (Omitted)</p> <p>5.1.2 Determination of trade conditions and references</p> <p>In acquiring or disposing of real property, equipment, or right-of-use assets thereof where the transaction amount reaches 20% of the Company's paid-in capital or NT\$300 million or more, the Company, unless transacting with a domestic government agency, engaging others to build on its own land, engaging others to build on rented land, or acquiring or disposing of equipment or right-of-use assets thereof held for business use, shall obtain an appraisal report prior to the date of occurrence of the event from a professional appraiser and shall further comply with the following provisions.</p> <ol style="list-style-type: none"> 1) When a limited price, a specific price or a special price must be used as the reference for the transaction price due to special reasons, the transaction should be approved by the board of directors first; the same applies when the transaction conditions are changed subsequently; 2) Where the transaction amount is NT\$1 billion or more, appraisals from two or more professional appraisers shall be obtained. 3) Where any one of the following circumstances applies with respect to the professional appraiser's appraisal results, unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, a certified public accountant shall be engaged to render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price. 	<p>5.1 Procedures for the Acquisition and Disposal of Real Property, Equipment or the right-of-use Assets thereof</p> <p>5.1.1 (Omitted)</p> <p>5.1.2 Determination of trade conditions and references</p> <p>In acquiring or disposing of real property, equipment, or right-of-use assets thereof where the transaction amount reaches 20% of the Company's paid-in capital or NT\$300 million or more, the Company, unless transacting with a domestic government agency, engaging others to build on its own land, engaging others to build on rented land, or acquiring or disposing of equipment or right-of-use assets thereof held for business use, shall obtain an appraisal report prior to the date of occurrence of the event from a professional appraiser and shall further comply with the following provisions.</p> <ol style="list-style-type: none"> 1) When a limited price, a specific price or a special price must be used as the reference for the transaction price due to special reasons, the transaction should be approved by the board of directors first; the same applies when the transaction conditions are changed subsequently; 2) Where the transaction amount is NT\$1 billion or more, appraisals from two or more professional appraisers shall be obtained. 3) Where any one of the following circumstances applies with respect to the professional appraiser's appraisal results, unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, a certified public accountant shall be engaged <u>to perform the appraisal in accordance with the provisions of Statement of Auditing Standards No. 20 published by the ROC Accounting Research and Development Foundation (ARDF)</u> and render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price. 	<p>Amendments are made in response to the revision of the "Regulations Governing of Acquisition and Disposal of Assets by Public Companies" (hereinafter referred to as the "Regulations.").</p>

After the Revision	Before the Revision	Remarks
<p>(1) The discrepancy between the appraisal result and the transaction amount is 20% or more of the transaction amount.</p> <p>(2) The discrepancy between the appraisal results of two or more professional appraisers is 10% or more of the transaction amount.</p> <p>4) No more than 3 months may elapse between the date of the appraisal report issued by a professional appraiser and the contract execution date; provided, where the publicly announced current value for the same period is used and not more than 6 months have elapsed, an opinion may still be issued by the original professional appraiser.</p> <p>5) Except where a limited price, specific price, or special price is employed by the Company's subsidiary engaging in construction business as the reference basis for the transaction price, if an appraisal report cannot be obtained in time and there is a legitimate reason for the delay, <u>the appraisal report shall be obtained within 2 weeks counting inclusively from the date of occurrence</u>, and the certified public accountant's opinion under subparagraph 3 of the preceding paragraph, shall be obtained within 2 weeks counting inclusively from the day of the appraisal report is obtained. .</p> <p>6) The calculation of the aforementioned transaction amounts shall be processed in accordance with Article 6.2.1 8), and "within the year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items for which an appraisal report from a professional appraiser or a CPA's opinion has been obtained need not be counted toward the transaction amount.</p> <p>5.1.3 (Omitted)</p>	<p>(1) The discrepancy between the appraisal result and the transaction amount is 20% or more of the transaction amount.</p> <p>(2) The discrepancy between the appraisal results of two or more professional appraisers is 10% or more of the transaction amount.</p> <p>4) No more than 3 months may elapse between the date of the appraisal report issued by a professional appraiser and the contract execution date; provided, where the publicly announced current value for the same period is used and not more than 6 months have elapsed, an opinion may still be issued by the original professional appraiser.</p> <p>5) Except where a limited price, specific price, or special price is employed by the Company's subsidiary engaging in construction business as the reference basis for the transaction price, if an appraisal report cannot be obtained in time and there is a legitimate reason for the delay, <u>the report</u>, and the certified public accountant's opinion under subparagraph 3 of the preceding paragraph, shall be obtained within 2 weeks counting inclusively from the date of occurrence day of the appraisal report is obtained.</p> <p>6) The calculation of the aforementioned transaction amounts shall be processed in accordance with Article 6.2.1 8), and "within the year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items for which an appraisal report from a professional appraiser or a CPA's opinion has been obtained need not be counted toward the transaction amount.</p> <p>5.1.3 (Omitted)</p>	<p>Amendments are made in response to the revision of the "Regulations Governing of Acquisition and Disposal of Assets by Public Companies" (hereinafter referred to as the "Regulations.").</p>
<p>5.2 Procedures for the acquisition and disposal of securities</p> <p>5.2.1 (Omitted)</p> <p>5.2.2 Determination of trade conditions and references</p> <p>1) Consider the net worth per share, profitability, future potential growth, market interest rate, coupon rate, debtor's credit, etc., and take the opinions of securities experts and market conditions into consideration.</p> <p>2) The Company acquiring or disposing of securities shall, prior to the date of occurrence of the event, obtain financial statements of the issuing company for the most recent period, certified or reviewed by a certified public accountant, for reference in appraising the transaction price.</p>	<p>5.2 Procedures for the acquisition and disposal of securities</p> <p>5.2.1 (Omitted)</p> <p>5.2.2 Determination of trade conditions and references</p> <p>1) Consider the net worth per share, profitability, future potential growth, market interest rate, coupon rate, debtor's credit, etc., and take the opinions of securities experts and market conditions into consideration.</p> <p>2) The Company acquiring or disposing of securities shall, prior to the date of occurrence of the event, obtain financial statements of the issuing company for the most recent period, certified or reviewed by a certified public accountant, for reference in appraising the transaction price.</p>	<p>Amendments are made in response to the revision of the "Regulations Governing of Acquisition and Disposal of Assets by Public Companies."</p>

After the Revision	Before the Revision	Remarks
<p>3) When the transaction amount reaches 20% of the Company's paid-in capital or NT\$300 million or more, the company shall engage a certified public accountant prior to the date of occurrence of the event to render an opinion regarding the reasonableness of the transaction price. However, this requirement does not apply if the securities are publicly quoted in an active market or where otherwise provided by regulations of by the FSC.</p> <p>4) The calculation of the transaction amounts referred to in the preceding paragraph is to be processed in accordance with Article 6.2.1 8), and "within the year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items for which an appraisal report from a professional appraiser or a CPA's opinion has been obtained need not be counted toward the transaction amount.</p> <p>5.2.3 (Omitted)</p>	<p>3) When the transaction amount reaches 20% of the Company's paid-in capital or NT\$300 million or more, the company shall engage a certified public accountant prior to the date of occurrence of the event to render an opinion regarding the reasonableness of the transaction price. <u>If the accountant needs to use an expert report, he/ she should have it processed in accordance with Auditing Standards Bulletin No. 20 regulations published by the Accounting Research and Development Foundation.</u> However, this requirement does not apply if the securities are publicly quoted in an active market or where otherwise provided by regulations of by the FSC.</p> <p>4) The calculation of the transaction amounts referred to in the preceding paragraph is to be processed in accordance with Article 6.2.1 8), and "within the year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items for which an appraisal report from a professional appraiser or a CPA's opinion has been obtained need not be counted toward the transaction amount.</p> <p>5.2.3 (Omitted)</p>	<p>Amendments are made in response to the revision of the "Regulations Governing of Acquisition and Disposal of Assets by Public Companies."</p>
<p>5.3 Procedures for acquiring or disposing of intangible assets or their right-to-use assets or memberships</p> <p>5.3.1 (Omitted)</p> <p>5.3.2 Determination of trade conditions and references</p> <p>1) The acquisition and disposal of patents, copyrights, trademarks, franchise rights , and other intangible assets or the right-of-use assets thereof should be negotiated and determined with reference to international or market practices, useful life, and the impact on the company's technology and business; the acquisition and disposal memberships should be negotiated and determined with reference to the potential effects and the most recent transaction price at that time.</p> <p>2) When the transaction amount reaches 20% of the Company's paid-in capital or NT\$300 million or more, unless it is a transaction conducted with domestic government agency, the company shall engage a certified public accountant prior to the date of occurrence of the event to render an opinion on the reasonableness of the transaction price.</p> <p>3) (Omitted)</p>	<p>5.3 Procedures for acquiring or disposing of intangible assets or their right-to-use assets or memberships</p> <p>5.3.1 (Omitted)</p> <p>5.3.2 Determination of trade conditions and references</p> <p>1) The acquisition and disposal of patents, copyrights, trademarks, franchise rights , and other intangible assets or the right-of-use assets thereof should be negotiated and determined with reference to international or market practices, useful life, and the impact on the company's technology and business; the acquisition and disposal memberships should be negotiated and determined with reference to the potential effects and the most recent transaction price at that time.</p> <p>2) When the transaction amount reaches 20% of the Company's paid-in capital or NT\$300 million or more, unless it is a transaction conducted with domestic government agency, the company shall engage a certified public accountant prior to the date of occurrence of the event to render an opinion on the reasonableness of the transaction price; <u>also, the CPA should have it processed in accordance with Auditing Standards Bulletin No. 20 regulations published by the Accounting Research and Development Foundation.</u></p> <p>3) (Omitted)</p>	<p>Amendments are made in response to the revision of the "Regulations Governing of Acquisition and Disposal of Assets by Public Companies."</p>

After the Revision	Before the Revision	Remarks
<p>5.4 Procedures for related party transactions</p> <p>5.4.1 (Omitted)</p> <p>5.4.2 Resolution procedures</p> <p>1) When the Company acquires or disposes of real property or right-of-use assets thereof from or to a related party, or when the Company acquires or disposes of assets other than real property or right-of-use assets thereof from or to a related party and the transaction amount reaches 20% of the Company's paid-in capital, 10% of the Company's total assets, or NT\$10 million or more, except in trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises, the Company may not proceed to enter into a transaction contract or make a payment until the following matters have been approved by the board of directors:</p> <p>(1) The purpose, necessity, and anticipated benefit of the acquisition or disposal of assets;</p> <p>(2) The reason for choosing the related party as a transaction counterparty;</p> <p>(3) With respect to the acquisition of real property or right-of-use assets thereof from a related party, information regarding appraisal of the reasonableness of the preliminary transaction terms in accordance with Article 5.4.3 and Article 5.4.4;</p> <p>(4) The date and price at which the related party originally acquired the real property, the original transaction counterparty, and that transaction counterparty's relationship to the company and the related party</p> <p>(5) Monthly cash flow forecasts for the year commencing from the anticipated month of signing the contract, and evaluation of the necessity of the transaction, and reasonableness of the fund utilization;</p> <p>(6) An appraisal report from a professional appraiser or a CPA's opinion obtained in compliance with Article 5.4.1;</p> <p>(7) Restrictive covenants and other important stipulations associated with the transaction;</p> <p>2) <u>If the Company or its subsidiary thereof that is not a domestic public company will have a transaction set out in Article 5.4.2 1) and the transaction amount will reach 10 percent or more of the Company's total assets, the Company shall submit the materials in all the subparagraphs of Article 5.4.2 1) to the shareholders meeting for approval before the transaction contract may be entered into and any payment made. However, this restriction does not apply to transactions between the Company and its parent company or subsidiaries or between its subsidiaries.</u></p>	<p>5.4 Procedures for related party transactions</p> <p>5.4.1 (Omitted)</p> <p>5.4.2 Resolution procedures</p> <p>1) When the Company acquires or disposes of real property or right-of-use assets thereof from or to a related party, or when the Company acquires or disposes of assets other than real property or right-of-use assets thereof from or to a related party and the transaction amount reaches 20% of the Company's paid-in capital, 10% of the Company's total assets, or NT\$10 million or more, except in trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises, the Company may not proceed to enter into a transaction contract or make a payment until the following matters have been approved by the board of directors:</p> <p>(1) The purpose, necessity, and anticipated benefit of the acquisition or disposal of assets;</p> <p>(2) The reason for choosing the related party as a transaction counterparty;</p> <p>(3) With respect to the acquisition of real property or right-of-use assets thereof from a related party, information regarding appraisal of the reasonableness of the preliminary transaction terms in accordance with Article 5.4.3 and Article 5.4.4;</p> <p>(4) The date and price at which the related party originally acquired the real property, the original transaction counterparty, and that transaction counterparty's relationship to the company and the related party</p> <p>(5) Monthly cash flow forecasts for the year commencing from the anticipated month of signing the contract, and evaluation of the necessity of the transaction, and reasonableness of the fund utilization;</p> <p>(6) An appraisal report from a professional appraiser or a CPA's opinion obtained in compliance with Article 5.4.1;</p> <p>(7) Restrictive covenants and other important stipulations associated with the transaction;</p> <p>2) The calculation of the transaction amounts referred to in the preceding paragraph shall be made in accordance with Article 6.2.1 8), and "within the year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items that have been approved by the board of directors need not be counted toward the transaction amount.</p>	<p>Amendments are made in response to the revision of the "Regulations Governing of Acquisition and Disposal of Assets by Public Companies." Article number update</p>

After the Revision	Before the Revision	Remarks
<p>3) The calculation of the transaction amounts referred to in the Article <u>5.4.2 1)</u> and <u>5.4.2 2)</u> shall be made in accordance with Article 6.2.1 8), and “within the year” as used herein refers to the year preceding the date of occurrence of the current transaction. Items that have been approved by the <u>shareholders meeting or</u> board of directors need not be counted toward the transaction amount.</p> <p>4) With respect to the following transactions conducted between the Company and the subsidiaries, or between the subsidiaries that are with 100% of the issued shares or authorized capital held by the Company directly or indirectly, the Company's board of directors may delegate the Chairman to decide such matters when the transaction is within a certain amount and have the decisions subsequently submitted to and ratified in the next board meeting.</p> <p>(1) Acquisition or disposal of equipment or right-of-use assets thereof held for business use;</p> <p>(2) Acquisition or disposal of real property right-of-use assets held for business use;</p> <p>(Omitted hereinafter)</p>	<p>3) With respect to the following transactions conducted between the Company and the subsidiaries, or between the subsidiaries that are with 100% of the issued shares or authorized capital held by the Company directly or indirectly, the Company's board of directors may delegate the Chairman to decide such matters when the transaction is within a certain amount and have the decisions subsequently submitted to and ratified in the next board meeting.</p> <p>(1) Acquisition or disposal of equipment or right-of-use assets thereof held for business use;</p> <p>(2) Acquisition or disposal of real property right-of-use assets held for business use</p> <p>(Omitted hereinafter)</p>	<p>Amendments are made in response to the revision of the “Regulations Governing of Acquisition and Disposal of Assets by Public Companies.” Article number update</p>
<p>5.5 Procedures for engaging in derivatives trading</p> <p>5.5.1 Trading principles and strategies</p> <p>1) (Omitted)</p> <p>2) (Omitted)</p> <p>3) Segregation of duties</p> <p>(1) The board of directors</p> <p>a) Designate senior management personnel to pay continuous attention to monitoring and controlling derivatives trading risk.</p> <p>b) Periodically evaluate whether derivatives trading performance is consistent with established operational strategy and whether the risk undertaken is within the Company's permitted scope of tolerance.</p> <p>c) Review and approve each hedging transaction for an amount of NT\$300 million or more.</p> <p>(2) Finance Department, <u>Finance Section</u></p> <p>a) The Finance Department, <u>Finance Section</u> is responsible for the transaction, confirmation, and settlement of derivatives, which are to be conducted by the traders authorized by the Chief Executive Officer. The authorized traders may have a hedging transaction for an amount of NT\$300 million or less with the approval of the responsible supervisor.</p> <p>b) Provide the relevant transaction vouchers upon the completion of each transaction.</p> <p>c) Custody of transaction contracts</p>	<p>5.5 Procedures for engaging in derivatives trading</p> <p>5.5.1 Trading principles and strategies</p> <p>1) (Omitted)</p> <p>2) (Omitted)</p> <p>3) Segregation of duties</p> <p>(1) The board of directors</p> <p>a) Designate senior management personnel to pay continuous attention to monitoring and controlling derivatives trading risk.</p> <p>b) Periodically evaluate whether derivatives trading performance is consistent with established operational strategy and whether the risk undertaken is within the Company's permitted scope of tolerance.</p> <p>c) Review and approve each hedging transaction for an amount of NT\$300 million or more.</p> <p>(2) <u>Finance Department</u></p> <p>a) The <u>Finance Department</u> is responsible for the transaction, confirmation, and settlement of derivatives, which are to be conducted by the traders authorized by the Chief Executive Officer. The authorized traders may have a hedging transaction for an amount of NT\$300 million or less with the approval of the responsible supervisor.</p> <p>b) Provide the relevant transaction vouchers upon the completion of each transaction.</p> <p>c) Custody of transaction contracts</p>	<p>Amendments are made according to the current operation of the organization.</p>

After the Revision	Before the Revision	Remarks
<p>(3) <u>Finance Department, Accounting Section</u></p> <p>a) <u>Finance Department, Accounting Section</u> is responsible for the measurement, supervision, and control of derivatives trading risks.</p> <p>b) Establish a log book in accordance with Article 5.5.7 2).</p> <p>c) Responsible for accounting processing and regularly assessing unrealized gains and losses based on the derivatives amount.</p> <p>4) Performance evaluation The <u>Finance Department, Accounting Section</u> should have the net income and loss prepared regularly for the reference of the management in decision-making and evaluation.</p> <p>5) Total amount of derivatives contracts that may be traded, and the maximum loss limit on total trading and for individual contracts (Omitted hereinafter)</p> <p>5.5.5 Regular evaluations</p> <p>1) 1) The <u>Finance Department, Accounting Section</u> evaluates the unrealized gains and losses on the balance of financial derivatives in accordance with the market prices or fair values. (Omitted hereinafter)</p> <p>5.5.7 Other things to note</p> <p>1) (Omitted)</p> <p>2) Setup a log book The <u>Finance Department, Accounting Section</u> shall setup a log book to record the type, amount, date of approval in the board meeting, and matters that should be carefully evaluated in accordance with 5.5.3 4), 5.5.6 1) (1) and 5.5.6 2) of the derivative transactions. Details are posted in the log book for future reference. (Omitted hereinafter)</p>	<p>(3) <u>Accounting Department</u></p> <p>a) <u>Accounting Department</u> is responsible for the measurement, supervision, and control of derivatives trading risks.</p> <p>b) Establish a log book in accordance with Article 5.5.7 2).</p> <p>c) Responsible for accounting processing and regularly assessing unrealized gains and losses based on the derivatives amount.</p> <p>4) Performance evaluation The <u>Accounting Department</u> should have the net income and loss prepared regularly for the reference of the management in decision-making and evaluation.</p> <p>5) Total amount of derivatives contracts that may be traded, and the maximum loss limit on total trading and for individual contracts (Omitted hereinafter)</p> <p>5.5.5 Regular evaluations</p> <p>1) 1) The <u>Accounting Department</u> evaluates the unrealized gains and losses on the balance of financial derivatives in accordance with the market prices or fair values. (Omitted hereinafter)</p> <p>5.5.7 Other things to note</p> <p>1) (Omitted)</p> <p>2) Setup a log book The <u>Accounting Department</u> shall setup a log book to record the type, amount, date of approval in the board meeting, and matters that should be carefully evaluated in accordance with 5.5.3 4), 5.5.6 1) (1) and 5.5.6 2) of the derivative transactions. Details are posted in the log book for future reference. (Omitted hereinafter)</p>	<p>Amendments are made according to the current operation of the organization.</p>
<p>6.1 The <u>Finance Department, Accounting Section</u> is the execution unit for the Company's announcement and reporting.</p> <p>6.1.1 The contents of the announcement and declaration should be submitted to the <u>Finance Department, Accounting Section</u> by each unit before the date of occurrence, or to the <u>Finance Department, Accounting Section</u> two weeks before the date of occurrence if the opinions of the CPAs are requested.</p>	<p>6.1 The <u>Accounting Department</u> is the execution unit for the Company's announcement and reporting.</p> <p>6.1.1 The contents of the announcement and declaration should be submitted to the <u>Accounting Department</u> by each unit before the date of occurrence, or to the <u>Accounting Department</u> two weeks before the date of occurrence if the opinions of the CPAs are requested.</p>	<p>Amendments are made according to the current operation of the organization.</p>

After the Revision	Before the Revision	Remarks
<p>6.2 Announcement and reporting procedures and standards</p> <p>6.2.1 Under any of the following circumstances, the Company acquiring or disposing of assets shall publicly announce and report the relevant information on the FSC's designated website in the appropriate format as prescribed and by the nature of the transaction within 2 days counting inclusively from the date of occurrence of the event:</p> <ol style="list-style-type: none"> 1) When the Company acquires or disposes of real property or right-of-use assets thereof from or to a related party, or when the Company acquires or disposes of assets other than real property or right-of-use assets thereof from or to a related party and the transaction amount reaches 20% or more of paid-in capital, 10% or more of the Company's total assets, or NT\$300 million or more, except in trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises; 2) Conducting a merger, demerger, acquisition, or share transfer with another company; 3) Losses from derivatives trading reaching the limits on aggregate losses or losses on individual contracts set out in the Procedures; 4) Where equipment or right-of-use assets thereof for business use are acquired or disposed of, and furthermore the transaction counterparty is not a related party, and the transaction amount meets any of the following criteria: <ol style="list-style-type: none"> (1) When the Company's paid-in capital is less than NT\$10 billion, the transaction amount reaches NT\$500 million or more; (2) When the Company's paid-in capital is NT\$10 billion or more, the transaction amount reaches NT\$1 billion or more; 5) The Company's subsidiary engaging in the construction business acquires or disposes real property or right-of-use assets thereof for construction use, furthermore, the transaction counterparty is not a related party, and the transaction amount reaches NT\$500 million; also, the paid-in capital reaches NT\$10 billion or more, and the real property from a completed construction project that it constructed itself is sold to the counterparty that is not a related party, then the threshold shall be a transaction amount reaching NT\$1 billion or more. 	<p>6.2 Announcement and reporting procedures and standards</p> <p>6.2.1 Under any of the following circumstances, the Company acquiring or disposing of assets shall publicly announce and report the relevant information on the FSC's designated website in the appropriate format as prescribed and by the nature of the transaction within 2 days counting inclusively from the date of occurrence of the event:</p> <ol style="list-style-type: none"> 1) When the Company acquires or disposes of real property or right-of-use assets thereof from or to a related party, or when the Company acquires or disposes of assets other than real property or right-of-use assets thereof from or to a related party and the transaction amount reaches 20% or more of paid-in capital, 10% or more of the Company's total assets, or NT\$300 million or more, except in trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises; 2) Conducting a merger, demerger, acquisition, or share transfer with another company; 3) Losses from derivatives trading reaching the limits on aggregate losses or losses on individual contracts set out in the Procedures; 4) Where equipment or right-of-use assets thereof for business use are acquired or disposed of, and furthermore the transaction counterparty is not a related party, and the transaction amount meets any of the following criteria: <ol style="list-style-type: none"> (1) When the Company's paid-in capital is less than NT\$10 billion, the transaction amount reaches NT\$500 million or more; (2) When the Company's paid-in capital is NT\$10 billion or more, the transaction amount reaches NT\$1 billion or more; 5) The Company's subsidiary engaging in the construction business acquires or disposes real property or right-of-use assets thereof for construction use, furthermore, the transaction counterparty is not a related party, and the transaction amount reaches NT\$500 million; also, the paid-in capital reaches NT\$10 billion or more, and the real property from a completed construction project that it constructed itself is sold to the counterparty that is not a related party, then the threshold shall be a transaction amount reaching NT\$1 billion or more. 	<p>Text is reworded for easy understanding.</p>

After the Revision	Before the Revision	Remarks
<p>6) Where land is acquired under an arrangement on engaging others to build on the Company's own land, engaging others to build on rented land, joint construction and allocation of housing units, joint construction and allocation of ownership percentages, or joint construction and separate sale, and furthermore the transaction counterparty is not a related party, and the amount the Company expects to invest in the transaction reaches NT\$500 million.</p> <p>7) Where an asset transaction other than any of those referred to in the aforementioned paragraphs 1) ~ 6), a disposal of receivables by a financial institution, or an investment in the mainland China area reaches 20% or more of paid-in capital or NT\$300 million; <u>However, if the transactions comply with the Item 7, Paragraph 1, Article 31 of Regulations, it shall not apply.</u> (Omitted hereinafter)</p>	<p>6) Where land is acquired under an arrangement on engaging others to build on the Company's own land, engaging others to build on rented land, joint construction and allocation of housing units, joint construction and allocation of ownership percentages, or joint construction and separate sale, and furthermore the transaction counterparty is not a related party, and the amount the Company expects to invest in the transaction reaches NT\$500 million.</p> <p>7) Where an asset transaction other than any of those referred to in the aforementioned paragraphs 1) ~ 6), a disposal of receivables by a financial institution, or an investment in the mainland China area reaches 20% or more of paid-in capital or NT\$300 million; <u>provided, this shall not apply to the following circumstances:</u> <u>(1) Trading of domestic government bonds;</u> <u>(2) Trading of bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises;</u> (Omitted hereinafter)</p>	<p>Text is reworded for easy understanding.</p>
<p>9 The control procedure for the acquisition and disposal of assets by subsidiaries</p> <p>9.1 <u>The Company's subsidiaries, Continental Consulting Limited Company, shall follow this Procedures.</u> The <u>other</u> Company's subsidiaries shall formulate their respective "Procedures for the Acquisition and Disposal of Assets" in accordance with the "Procedures" and have it implemented accordingly.</p>	<p>9 The control procedure for the acquisition and disposal of assets by subsidiaries</p> <p>9.1 The Company's subsidiaries shall formulate their respective "Procedures for the Acquisition and Disposal of Assets" in accordance with the "Procedures" and have it implemented accordingly.</p>	<p>Amendments are made in response to the incorporation of "Continental Consulting Limited Company."</p>