

**CONTINENTAL HOLDINGS CORPORATION
AND SUBSIDIARIES**

CONSOLIDATED FINANCIAL STATEMENTS

**With Independent Auditors' Review Report
For the Six Months Ended June 30, 2022 and 2021**

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The independent auditors' review report and the accompanying consolidated financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors' review report and consolidated financial statements, the Chinese version shall prevail.

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Independent Auditors' Review Report

To the Board of Directors
CONTINENTAL HOLDINGS CORPORATION:

Introduction

We have reviewed the accompanying consolidated balance sheets of CONTINENTAL HOLDINGS CORPORATION and its subsidiaries as of June 30, 2022 and 2021, and the related consolidated statements of comprehensive income for the three months and six months ended June 30, 2022 and 2021, as well as the changes in equity and cash flows for the six months ended June 30, 2022 and 2021, and notes to the consolidated financial statements, including a summary of significant accounting policies. Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

Scope of Review

Except as explained in the Basis for Qualified Conclusion paragraph, we conducted our reviews in accordance with Statement of Auditing Standard 65, "Review of Financial Information Performed by the Independent Auditor of the Entity". A review of the consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the generally accepted auditing standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Basis for Qualified Conclusion

As stated in Note 4(b), the consolidated financial statements included the financial statements of certain non-significant subsidiaries, which were not reviewed by independent auditors. These financial statements reflect total assets amounting to \$24,907,035 thousand and \$23,203,273 thousand, constituting 35.62% and 33.41% of consolidated total assets; and total liabilities amounting to \$17,668,679 thousand and \$16,493,529 thousand, constituting 43.13% and 38.97% of consolidated total liabilities as of June 30, 2022 and 2021, respectively; as well as the total comprehensive income amounting to \$178,642 thousand, \$182,725 thousand, \$382,848 thousand and \$420,098 thousand, constituting 17.14%, 40.72%, 14.75% and 31.57% of consolidated total comprehensive income for the three months and six months ended June 30, 2022 and 2021, respectively.

Furthermore, as stated in Note 6(h), the other equity accounted investments of the CONTINENTAL HOLDINGS CORPORATION and its subsidiaries in its investee companies of \$1,418,160 thousand and \$1,388,366 thousand as of June 30, 2022 and 2021, respectively, and its equity in net earnings on these investee companies of \$2,598 thousand, \$(14,032) thousand, \$4,232 thousand and \$(22,171) thousand for the three months and six months ended June 30, 2022 and 2021, respectively, were recognized solely on the financial statements prepared by these investee companies, but not reviewed by independent auditors.

Qualified Conclusion

Except for the adjustments, if any, as might have been determined to be necessary had the financial statements of certain consolidated subsidiaries and equity accounted investee companies described in the Basis for Qualified Conclusion paragraph above been reviewed by independent auditors, based on our reviews, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of CONTINENTAL HOLDINGS CORPORATION and its subsidiaries as of June 30, 2022 and 2021, and of its consolidated financial performance for the three months and six months ended June 30, 2022 and 2021, as well as its consolidated cash flows for the six months ended June 30, 2022 and 2021 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, “Interim Financial Reporting” endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

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)
August 2, 2022

Notes to Readers

The accompanying consolidated financial statements are intended only to present the consolidated statement of financial position, financial performance and cash flows in accordance with the accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to review such consolidated financial statements are those generally accepted and applied in the Republic of China.

The independent auditors’ review report and the accompanying consolidated financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors’ review report and consolidated financial statements, the Chinese version shall prevail.

(English Translation of Consolidated Financial Statements and Report Originally Issued in Chinese)
Reviewed only, not audited in accordance with the generally accepted auditing standards as of June 30, 2022 and 2021

CONTINENTAL HOLDINGS CORPORATION AND SUBSIDIARIES

Consolidated Balance Sheets

June 30, 2022, December 31, 2021, and June 30, 2021

(Expressed in Thousands of New Taiwan Dollars)

Assets		June 30, 2022		December 31, 2021		June 30, 2021		Liabilities and Equity		June 30, 2022		December 31, 2021		June 30, 2021	
		Amount	%	Amount	%	Amount	%			Amount	%	Amount	%	Amount	%
Current assets:								Current liabilities:							
1100	Cash and cash equivalents (Note 6(a))	\$ 5,920,832	9	5,206,556	7	4,845,679	7	2100	Short-term borrowings (Note 6(n))	\$ 9,829,065	14	9,398,912	13	10,361,961	15
1139	Current financial assets for hedging (Note 6(d))	247,399	-	230,228	-	241,697	-	2110	Short-term notes and bills payable (Note 6(o))	130,000	-	-	-	500,000	1
1140	Current contract assets (Note 6(z) and 7)	5,081,378	7	4,344,055	6	3,831,840	5	2126	Current financial liabilities for hedging(Note 6(d))	-	-	64	-	18	-
1150	Notes receivable, net (Notes 6(e) and (z))	45,188	-	325,540	1	85,914	-	2130	Current contract liabilities (Note 6(z))	7,656,832	11	8,760,275	12	8,224,659	12
1170	Accounts receivable, net (Notes 6(e), (z) and 7)	2,074,649	3	3,153,462	4	2,441,996	4	2170	Notes and accounts payable (Note 7)	5,985,370	9	6,989,726	10	5,520,899	8
1200	Other receivables, net (Notes 6(f) and 7)	438,416	1	502,586	1	760,469	1	2200	Other payables (Notes 7)	3,248,307	5	1,936,715	3	2,879,908	4
1220	Current tax assets	48,053	-	47,654	-	64,286	-	2230	Current tax liabilities	192,284	-	142,533	-	63,370	-
130X	Inventories (Notes 6(g) and 8)	27,194,820	39	28,517,085	41	28,474,236	41	2250	Current provisions (Note 6(s))	426,969	1	410,843	1	396,053	1
1410	Prepayments	900,519	1	902,225	1	906,983	1	2280	Current lease liabilities (Notes 6(r) and 7)	100,024	-	116,791	-	124,643	-
1479	Other current assets, others (Note 8)	3,000,052	4	2,625,312	4	1,948,236	3	2310	Advance receipts	75,044	-	55,460	-	50,830	-
1480	Current assets recognised as incremental costs to obtain contract with customers	333,759	1	438,216	1	419,982	1	2320	Long-term liabilities, current portion (Note 6(q))	1,453,053	2	1,980,000	3	1,934,500	3
		<u>45,285,065</u>	<u>65</u>	<u>46,292,919</u>	<u>66</u>	<u>44,021,318</u>	<u>63</u>	2399	Other current liabilities, others	77,573	-	65,125	-	122,902	-
										<u>29,174,521</u>	<u>42</u>	<u>29,856,444</u>	<u>42</u>	<u>30,179,743</u>	<u>44</u>
Non-current assets:								Non-Current liabilities:							
1510	Non-current financial assets at fair value through profit or loss (Note 6(b))	606,305	1	606,305	1	606,305	1	2530	Bonds payable (Note 6(p))	1,997,472	3	1,997,110	3	1,996,749	3
1517	Non-current financial assets at fair value through other comprehensive income (Note 6(c))	2,208,791	3	2,072,868	3	2,397,348	3	2540	Long-term borrowings (Note 6(q))	9,007,500	13	9,982,386	14	9,383,624	14
1550	Investments accounted for using equity method, net (Note 6(h))	1,418,160	2	1,413,928	2	1,388,366	2	2570	Deferred tax liabilities	140,421	-	130,819	-	117,784	-
1600	Property, plant and equipment (Notes 6(j) and 8)	4,294,245	6	4,379,297	6	2,415,865	4	2580	Non-current lease liabilities(Notes 6(r) and 7)	10,883	-	14,304	-	27,122	-
1755	Right-of-use assets (Notes 6(k))	109,853	-	128,017	-	149,416	-	2610	Long-term accounts payable (Note 6(u))	340,570	1	311,400	1	313,425	-
1760	Investment properties, net (Notes 6(l) and 8)	8,668,670	12	8,683,500	12	10,430,546	15	2640	Net defined benefit liability, non-current	160,861	-	176,153	-	179,488	-
1780	Intangible assets (Notes 6(m) and 8)	1,101,397	2	1,108,196	2	1,118,211	2	2645	Guarantee deposits received	133,789	-	142,738	-	129,141	-
1840	Deferred tax assets	29,647	-	38,470	-	40,800	-			<u>11,791,496</u>	<u>17</u>	<u>12,754,910</u>	<u>18</u>	<u>12,147,333</u>	<u>17</u>
1932	Long-term accounts receivable (Note 6(e) 、(z) and 8)	5,718,587	8	5,443,311	8	6,747,970	10		Total liabilities	<u>40,966,017</u>	<u>59</u>	<u>42,611,354</u>	<u>60</u>	<u>42,327,076</u>	<u>61</u>
1990	Other non-current assets, others (Note 6(f))	482,903	1	222,836	-	142,810	-		Equity attributable to owners of parent (Note 6(x)):						
		<u>24,638,558</u>	<u>35</u>	<u>24,096,728</u>	<u>34</u>	<u>25,437,637</u>	<u>37</u>	3100	Capital stock	8,232,160	12	8,232,160	12	8,232,160	12
								3200	Capital surplus	6,817,198	10	6,817,198	10	6,817,198	10
								3300	Retained earnings	10,078,252	14	9,281,503	13	8,280,177	12
								3400	Other equity	585,224	1	243,303	-	589,634	1
										<u>25,712,834</u>	<u>37</u>	<u>24,574,164</u>	<u>35</u>	<u>23,919,169</u>	<u>35</u>
								36XX	Non-controlling interests(Note 6(i))	3,244,772	4	3,204,129	5	3,212,710	4
									Total equity	<u>28,957,606</u>	<u>41</u>	<u>27,778,293</u>	<u>40</u>	<u>27,131,879</u>	<u>39</u>
Total assets		<u>\$ 69,923,623</u>	<u>100</u>	<u>70,389,647</u>	<u>100</u>	<u>69,458,955</u>	<u>100</u>	Total liabilities and equity		<u>\$ 69,923,623</u>	<u>100</u>	<u>70,389,647</u>	<u>100</u>	<u>69,458,955</u>	<u>100</u>

See accompanying notes to financial statements.

(English Translation of Consolidated Financial Statements and Report Originally Issued in Chinese)
Reviewed only, not audited in accordance with generally accepted auditing standards

CONTINENTAL HOLDINGS CORPORATION AND SUBSIDIARIES
Consolidated Statements of Comprehensive Income
For the six months ended June 30, 2022 and 2021
(Expressed in Thousands of New Taiwan Dollars , Except for Earnings Per Common Share)

	For the three months ended June 30				For the six months ended June 30			
	2022		2021		2022		2021	
	Amount	%	Amount	%	Amount	%	Amount	%
4000 Operating revenues (Notes 6(z) and 7)	\$ 8,241,130	100	5,592,014	100	18,264,176	100	11,944,698	100
5000 Operating costs (Notes 6((g), (v), 7 and 12)	6,788,396	82	4,835,656	87	14,943,352	82	10,195,048	85
Gross profit from operations	<u>1,452,734</u>	<u>18</u>	<u>756,358</u>	<u>13</u>	<u>3,320,824</u>	<u>18</u>	<u>1,749,650</u>	<u>15</u>
Operating expenses (Notes 6 (v), (aa), 7 and 12):								
6100 Selling expenses	167,367	2	60,274	1	330,367	1	143,122	1
6200 Administrative expenses	279,232	4	277,433	5	578,888	3	545,587	5
	<u>446,599</u>	<u>6</u>	<u>337,707</u>	<u>6</u>	<u>909,255</u>	<u>4</u>	<u>688,709</u>	<u>6</u>
Net operating income	<u>1,006,135</u>	<u>12</u>	<u>418,651</u>	<u>7</u>	<u>2,411,569</u>	<u>14</u>	<u>1,060,941</u>	<u>9</u>
Non-operating income and expenses (Notes 6(ab) and 7):								
7100 Interest income	4,963	-	13,482	-	11,920	-	22,154	-
7010 Other income	58,393	1	73,793	2	63,513	-	78,087	1
7020 Other gains and losses, net	(16,268)	-	(42,826)	(1)	13,375	-	(72,108)	(1)
7050 Finance costs, net (Notes 6(g) and (r))	(93,159)	(1)	(48,551)	(1)	(189,034)	(1)	(104,053)	(1)
7060 Share of profit (losses) of associates and joint ventures accounted for using equity method (Note 6(h))	2,598	-	(14,032)	-	4,232	-	(22,171)	-
	<u>(43,473)</u>	<u>-</u>	<u>(18,134)</u>	<u>-</u>	<u>(95,994)</u>	<u>(1)</u>	<u>(98,091)</u>	<u>(1)</u>
7900 Income before tax	962,662	12	400,517	7	2,315,575	13	962,850	8
7950 Less: Income tax expenses (note 6 (w))	52,226	1	62,001	1	182,613	1	120,725	1
Net income	<u>910,436</u>	<u>11</u>	<u>338,516</u>	<u>6</u>	<u>2,132,962</u>	<u>12</u>	<u>842,125</u>	<u>7</u>
8300 Other comprehensive income:								
8310 Items that will not be reclassified to profit or loss								
8316 Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	(35,904)	-	235,429	4	135,923	1	606,269	5
8317 Gains (losses) on hedging instrument	7,911	-	(298)	-	19,063	-	1,572	-
8349 Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	-	-	-	-	-	-	-	-
Components of other comprehensive income that will not be reclassified to profit or loss	<u>(27,993)</u>	<u>-</u>	<u>235,131</u>	<u>4</u>	<u>154,986</u>	<u>1</u>	<u>607,841</u>	<u>5</u>
8360 Items that will be reclassified to profit or loss								
8361 Exchange differences on translation of foreign financial statements	160,106	1	(124,904)	(2)	306,990	1	(119,167)	(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	<u>160,106</u>	<u>1</u>	<u>(124,904)</u>	<u>(2)</u>	<u>306,990</u>	<u>1</u>	<u>(119,167)</u>	<u>(1)</u>
8300 Other comprehensive income	<u>132,113</u>	<u>1</u>	<u>110,227</u>	<u>2</u>	<u>461,976</u>	<u>2</u>	<u>488,674</u>	<u>4</u>
Total comprehensive income	<u>\$ 1,042,549</u>	<u>12</u>	<u>448,743</u>	<u>8</u>	<u>2,594,938</u>	<u>14</u>	<u>1,330,799</u>	<u>11</u>
Net income, attributable to:								
8610 Owners of parent	\$ 940,928	11	321,948	6	2,179,752	12	802,952	7
8620 Non-controlling interests	(30,492)	-	16,568	-	(46,790)	-	39,173	-
	<u>\$ 910,436</u>	<u>11</u>	<u>338,516</u>	<u>6</u>	<u>2,132,962</u>	<u>12</u>	<u>842,125</u>	<u>7</u>
Total comprehensive income attributable to:								
8710 Owners of parent	\$ 1,007,856	12	472,662	8	2,521,673	14	1,328,377	11
8720 Non-controlling interests	34,693	-	(23,919)	-	73,265	-	2,422	-
	<u>\$ 1,042,549</u>	<u>12</u>	<u>448,743</u>	<u>8</u>	<u>2,594,938</u>	<u>14</u>	<u>1,330,799</u>	<u>11</u>
Earnings per share (Note 6(y))								
9750 Basic earnings per share (NT dollars)	\$ 1.14		0.39		2.65		0.98	
9850 Diluted earnings per share (NT dollars)	\$ 1.14		0.39		2.65		0.98	

See accompanying notes to financial statements.

(English Translation of Consolidated Financial Statements and Report Originally Issued in Chinese)
Reviewed only, not audited in accordance with generally accepted auditing standards

CONTINENTAL HOLDINGS CORPORATION AND SUBSIDIARIES

Consolidated Statements of Changes in Equity

For the six months ended June 30, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars)

	Equity attributable to owners of parent														
	Capital stock					Total other equity									
						Retained earnings					Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income			Exchange differences on translation of foreign financial statements	
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, 2021	\$ 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	-	-	-	-	802,952	802,952	-	-	-	-	802,952	39,173	842,125		
Other comprehensive income (loss)	-	-	-	-	-	-	(82,416)	606,269	1,572	525,425	525,425	(36,751)	488,674		
Total comprehensive income (loss)	-	-	-	-	802,952	802,952	(82,416)	606,269	1,572	525,425	1,328,377	2,422	1,330,799		
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 June 30, 2021	\$ 8,232,160	6,817,198	946,139	2,262,233	5,071,805	8,280,177	(947,807)	1,553,158	(15,717)	589,634	23,919,169	3,212,710	27,131,879		
Balance at January 1, 2022	\$ 8,232,160	6,817,198	946,139	2,262,233	6,073,131	9,281,503	(969,251)	1,228,678	(16,124)	243,303	24,574,164	3,204,129	27,778,293		
Net income (loss)	-	-	-	-	2,179,752	2,179,752	-	-	-	-	2,179,752	(46,790)	2,132,962		
Other comprehensive income	-	-	-	-	-	-	186,935	135,923	19,063	341,921	341,921	120,055	461,976		
Total comprehensive income	-	-	-	-	2,179,752	2,179,752	186,935	135,923	19,063	341,921	2,521,673	73,265	2,594,938		
Appropriation and distribution of retained earnings:															
Legal reserve appropriated	-	-	180,428	-	(180,428)	-	-	-	-	-	-	-	-		
Cash dividends	-	-	-	-	(1,383,003)	(1,383,003)	-	-	-	-	(1,383,003)	-	(1,383,003)		
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(32,622)	(32,622)		
Balance at June 30, 2022	\$ 8,232,160	6,817,198	1,126,567	2,262,233	6,689,452	10,078,252	(782,316)	1,364,601	2,939	585,224	25,712,834	3,244,772	28,957,606		

See accompanying notes to financial statements.

(English Translation of Consolidated Financial Statements and Report Originally Issued in Chinese)
**REVIEWED ONLY, NOT AUDITED IN ACCORDANCE WITH GENERALLY ACCEPTED AUDITING
STANDARDS**

CONTINENTAL HOLDINGS CORPORATION AND SUBSIDIARIES

Consolidated Statements of Cash Flows

For the six months ended June 30, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars)

	For the six months ended June 30	
	2022	2021
Cash flows from operating activities:		
Income before tax	\$ 2,315,575	962,850
Adjustments:		
Adjustments to reconcile profit and loss:		
Depreciation expense	230,566	140,687
Amortization expense	32,787	31,809
Interest expense	188,672	103,692
Interest income	(11,920)	(22,154)
Dividend income	(49,025)	(61,282)
Amortization of issuance costs on bonds payable	362	361
Share of (gain) loss of associates and joint ventures accounted for using equity method	(4,232)	22,171
Loss (gain) on disposal of property, plant and equipment	228	(123)
Loss (gain) on disposal of property, plant and equipment (under construction costs)	204	(163)
Gain on disposal of investment properties	-	(2,783)
Gain on reversal of estimated account payable	3,359	-
Warranty provisions recognition (write-off)	23,775	(75,834)
Total adjustments to reconcile profit and loss	414,776	136,381
Changes in operating assets and liabilities:		
Changes in operating assets:		
Contract assets	(224,060)	258,335
Notes receivable	280,352	767,312
Accounts receivable	343,819	(1,567,020)
Other receivables	(35,650)	(24,686)
Inventories	(138,614)	(777,023)
Prepayments	3,019	(156,107)
Other current assets	59,271	29,803
Current assets recognised as incremental costs to obtain contract with customers	104,457	(17,380)
Total changes in operating assets	392,594	(1,486,766)
Changes in operating liabilities:		
Contract liabilities	1,095,208	772,153
Notes and accounts payable	(1,094,204)	(250,839)
Other payables	(168,180)	(401,761)
Provisions	(8,271)	(7,884)
Receipts in advance	19,584	29,157
Other current liabilities	12,437	(9,094)
Net defined benefit liability	(15,292)	3,001
Total changes in operating liabilities	(158,718)	134,733
Total changes in operating assets and liabilities	233,876	(1,352,033)
Total adjustments	648,652	(1,215,652)
Cash inflow (outflow) generated from operations	2,964,227	(252,802)
Interest received	10,870	21,512
Interest paid	(218,913)	(192,105)
Income taxes paid	(113,685)	(18,547)
Net cash flows from (used in) operating activities	2,642,499	(441,942)

See accompanying notes to financial statements.

(English Translation of Consolidated Financial Statements and Report Originally Issued in Chinese)
**REVIEWED ONLY, NOT AUDITED IN ACCORDANCE WITH GENERALLY ACCEPTED AUDITING
STANDARDS**

CONTINENTAL HOLDINGS CORPORATION AND ITS SUBSIDIARIES

Consolidated Statements of Cash Flows(CONT'D)

For the six months ended June 30, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars)

	For the six months ended June 30	
	2022	2021
Cash flows from investing activities:		
Acquisition of financial assets for hedging	(189,771)	(265,570)
Disposal of financial assets for hedging	191,599	473,313
Price of associates acquisition	-	(665,000)
Acquisition of property, plant and equipment	(57,605)	(51,885)
Disposal of property, plant and equipment	6,613	529
Decrease in other receivables	102,895	-
Increase in other receivables	-	(46,034)
Increase in non-current other receivables	(219,932)	-
Acquisition of intangible assets	(25,988)	(14,216)
Acquisition of investment properties	-	(316,892)
Disposal of investment properties	-	2,783
Increase in other financial assets	(431,947)	-
Other non-current assets	(11,475)	-
Prepayments for business facilities	(28,660)	(1,478)
Dividends received	49,025	61,282
Long-term payments	6,012	-
Net cash flows used in investing activities	(609,234)	(823,168)
Cash flows from financing activities:		
Increase in short-term borrowings	10,519,761	7,461,160
Decrease in short-term borrowings	(10,437,363)	(7,066,252)
Increase in short-term notes and bills payable	730,000	1,780,000
Decrease in short-term notes and bills payable	(600,000)	(2,100,000)
Proceeds from issuing bonds	-	1,996,388
Increase in long-term borrowings	748,512	3,713,402
Decrease in long-term borrowings	(2,259,948)	(4,262,817)
Decrease in guarantee deposits received	(8,949)	(12,364)
Other payables	43,843	125,567
Payment of lease liabilities	(53,210)	(51,086)
Cash dividends paid	(32,622)	(79,278)
Change in non-controlling interests	-	112,500
Net cash flows from (used in) financing activities	(1,349,976)	1,617,220
Effect of exchange rate changes on cash and cash equivalents	30,987	(18,799)
Net increase in cash and cash equivalents	714,276	333,311
Cash and cash equivalents at beginning of year	5,206,556	4,512,368
Cash and cash equivalents at end of year	\$ 5,920,832	4,845,679

See accompanying notes to financial statements.

(English Translation of Consolidated Financial Statements and Report Originally Issued in Chinese)
Reviewed only, not audited in accordance with generally accepted auditing standards

CONTINENTAL HOLDINGS CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

For the six months ended June 30, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars, Unless Otherwise Specified)

(1) Company history

CONTINENTAL HOLDINGS CORPORATION (“CHC” or “the Company”) was established through shares exchange with Continental Engineering Corp. (“CEC”) on April 8, 2010 and CEC became 100% - owned by the Company. On the same day, the Company was approved to be a listed Company by the FSC. The consolidated financial statements as of June 30, 2022 consist of the Company and all of its subsidiaries (“the Group”), and the interests in a jointly controlled entities and associates. Please refer to Note 14 for the Group’s main businesses.

(2) Approval date and procedures of the consolidated financial statements

The consolidated financial statements were approved and authorized for issue by the Board of Directors on August 2, 2022.

(3) New standards, amendments and interpretations adopted

- (a) The impact of the International Financial Reporting Standards (“IFRSs”) endorsed by the Financial Supervisory Commission, R.O.C. which have already been adopted.

The Group has initially adopted the following new amendments, which do not have a significant impact on its consolidated financial statements, from January 1, 2022:

- Amendments to IAS 16 “Property, Plant and Equipment—Proceeds before Intended Use”
- Amendments to IAS 37 “Onerous Contracts—Cost of Fulfilling a Contract”
- Annual Improvements to IFRS Standards 2018–2020
- Amendments to IFRS 3 “Reference to the Conceptual Framework”

- (b) The impact of IFRS issued by the FSC but not yet effective

The Group assesses that the adoption of the following new amendments, effective for annual period beginning on January 1, 2023, would not have a significant impact on its consolidated financial statements:

- Amendments to IAS 1 “Disclosure of Accounting Policies”
- Amendments to IAS 8 “Definition of Accounting Estimates”
- Amendments to IAS 12 “Deferred Tax related to Assets and Liabilities arising from a Single Transaction”

(Continued)

CONTINENTAL HOLDINGS CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

- (c) The impact of IFRS issued by IASB but not yet endorsed by the FSC

The Group does not expect the following new and amended standards, which have yet to be endorsed by the FSC, to have a significant impact on its consolidated financial statements:

- Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture”
- IFRS 17 “ Insurance Contracts” and amendments to IFRS 17 “ Insurance Contracts”
- Amendments to IAS 1 “Classification of Liabilities as Current or Non-current”
- Amendments to IFRS 17 “Initial Application of IFRS 17 and IFRS 9 – Comparative Information “

(4) Summary of significant accounting policies:

- (a) Statement of compliance

These consolidated financial statements have been prepared in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" (hereinafter referred to the Regulations), and IAS 34 “Interim Financial Reporting” which was endorsed and issued into effect by FSC. These consolidated financial statements do not include all of the information required by the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations and SIC Interpretations endorsed by the FSC (hereinafter referred to IFRS endorsed by the FSC) for the year-end consolidated financial statements.

Except for the following, the significant accounting policies adopted in the consolidated financial statements are the same as those in the consolidated financial statement for the year ended December 31, 2021. For the related information, please refer to Note 4 of the consolidated financial statements for the year ended December 31, 2021.

- (b) Basis of consolidation

- (i) Subsidiaries included in the consolidated financial statements

Investor Company	Subsidiary	Main Business	Percentage of ownership			Note
			June 30, 2022	December 31, 2021	June 30, 2021	
The Company	Continental Engineering Corp. (CEC)	Civil engineering, public infrastructure and private sector construction	99.99 %	99.99 %	100.00 %	Note F
The Company	Continental Development Corp. (CDC)	Real estate and development specifically on residential housing and office building	99.99 %	99.99 %	100.00 %	Note F
The Company	HDEC Corp. (HDEC)	Construction of underground pipeline and environmental protection project, plumbing, sale of pollution prevention equipment	99.99 %	99.99 %	100.00 %	Note F and G
The Company	Continental Consulting Limited Company (CCLC)	Management Consulting	100.00 %	100.00 %	-	% Note E, F and G

(Continued)

CONTINENTAL HOLDINGS CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Investor Company	Subsidiary	Main Business	Percentage of ownership			Note
			June 30, 2022	December 31, 2021	June 30, 2021	
CEC	CEC International Corp. (CIC)	Investment in and control of overseas corporations	100.00 %	100.00 %	100.00 %	Note G
CEC	CEC International Corp. (India) Private Limited (CICI)	Real estate development and civil engineering, construction	100.00 %	100.00 %	100.00 %	Note G
CEC	CEC International Malaysia Sdn. Bhd. (CIMY)	Civil engineering, construction	85.14 %	85.14 %	85.14 %	Note G
CEC	Continental Engineering Corporation(Hong Kong) Limited (CEC HK)	Contract civil engineering construction and invest in real estate	100.00 %	100.00 %	100.00 %	Note G
CDC	CDC Commercial Development Corp. (CCD)	Real estate development, sales and leasing of building	80.65 %	80.65 %	80.65 %	Note G
CDC	MEGA Capital Development Sdn. Bhd. (MEGA)	Real estate development specifically on offices and hotels	55.00 %	55.00 %	55.00 %	Note G
CDC	Bangsar Rising Sdn. Bhd. (BANGSAR)	Real estate development specifically on offices and hotels	60.00 %	60.00 %	60.00 %	Note G
CDC	CDC Asset Management Malaysia Sdn. Bhd. (CDCAM)	Management consulting	100.00 %	100.00 %	100.00 %	Note G
CDC	CDC US Corp.	Investment in overseas companies	100.00 %	100.00 %	100.00 %	Note G
CDC US Corp.	CDC Investment Management LLC	Engineering management	100.00 %	100.00 %	100.00 %	Note G
CDC US Corp.	Trimosa Holdings LLC	Investment in overseas companies	70.65 %	70.65 %	70.65 %	Note G
Trimosa Holdings LLC	950 Investment LLC	Investment in overseas companies	76.55 %	76.55 %	76.55 %	Note G
950 Investment LLC	950 Property LLC (950P)	Real estate development specifically on offices and hotels	100.00 %	100.00 %	100.00 %	Note G
950 Investment LLC	950 Hotel Property LLC	Hotel industry	100.00 %	100.00 %	100.00 %	Note G
950 Investment LLC	950 Retail Property LLC	Real estate management	100.00 %	100.00 %	100.00 %	Note G
HDEC	HDEC Construction Corp. (SDC)	Construction of underground pipeline and environmental protection project, plumbing	100.00 %	100.00 %	100.00 %	Note G
HDEC	North Shore Environment Corp. (NSC)	Sewer system design and construction in Danshui area, New Taipei City	100.00 %	100.00 %	100.00 %	Note A and G
HDEC	Blue Whale Water Technologies Corp. (BWC)	Feng Shan River wastewater reclamation and reuse BTO project in Kaohsiung City	51.00 %	51.00 %	51.00 %	Note B and G
HDEC	HDEC (Puding) Environment Corp. (PDC)	Pu Ding area sewerage construction in Taoyuan City	100.00 %	100.00 %	100.00 %	Note C and G

(Continued)

CONTINENTAL HOLDINGS CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Investor Company	Subsidiary	Main Business	Percentage of ownership			Note
			June 30, 2022	December 31, 2021	June 30, 2021	
HDEC	HDEC-CTCI (Lin-hai) Corp. (LHC)	Feng Shan River wastewater reclamation and reuse BTO project in Kaohsiung City	55.00 %	55.00 %	55.00 %	Note D and G
CCLC	Continental Engineering Corp. (CEC)	Civil engineering, public infrastructure and private sector construction	- %	- %	- %	% Note F
CCLC	Continental Development Corp. (CDC)	Real estate and development specifically on residential housing and office building	- %	- %	- %	% Note F
CCLC	HDEC Corp. (HDEC)	Construction of underground pipeline and environmental protection project, plumbing, sale of pollution prevention equipment	- %	- %	- %	% Note F and G

Note A: NSC was founded as a SPC (Special Purpose Company) to build then operate Danshui Area Sewer System BOT project in New Taipei City. The sewer system construction and facility will be transferred to the authority at the end of the concession period without condition.

Note B: BWC was founded as a SPC to perform the contract for Feng Shan River wastewater reclamation and reuse, which is a BTO project in Kaohsiung City. Upon the completion of the wastewater treatment plant, BWC will transfer all the operating assets to the authority and be engaged by the authority to operate the wastewater treatment plant and water recycling plant. BWC will transfer the operating rights to the authority without condition at the end of the operating period.

Note C: PDC was founded as a SPC to build then operate Pu Ding area sewer system, which is a BOT project in Taoyuan City. The Pu Ding area sewer system will be transferred to the authority at the end of the concession period without condition.

Note D: LHC was founded as a SPC to perform the contract for Kaohsiung coastal area wastewater reclamation and reuse, which is a BTO project in Kaohsiung City. Upon the completion of the wastewater treatment plant, BWC will transfer all the operating assets to the authority and be engaged by the authority to operate the wastewater treatment plant and water recycling plant. BWC will transfer the operating rights to the authority without condition at the end of the operating period.

Note E: The Company established subsidiary based on a resolution approved in the board meeting held on November 5, 2021.

Note F: For adjustment planning on organizational and management structure, the Company each disposed 100 shares of CEC, CDC and HDEC to CCLC in December, 2021, in which the all payments had been fully received, resulting in Company's shareholding percentage in CEC and CDC to decrease to 99.99998% each, and 99.99996% in HDEC; while CCLC held 0.00002% shares in both CEC and CDC, and 0.00004% in HDEC. The disposal of shares above didn't have an impact on the consolidated financial statements of the Group.

(Continued)

CONTINENTAL HOLDINGS CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Note G: The Company is a non-significant subsidiary, and its financial statements have not been reviewed.

(ii) Subsidiaries excluded from the consolidated financial statements: None.

(c) Income Taxes

The income tax expenses have been prepared and disclosed in accordance with paragraph B12 of International Financial Reporting Standards 34, Interim Reporting.

Income tax expenses for the period are best estimated by multiplying pre-tax income for the interim reporting period by the effective annual tax rate as forecasted by the management. This should be recognized fully as tax expense for the current period.

(d) Employee benefits

The pension cost for an interim period was calculated on a year-to-date basis by using the actuarially determined pension cost rate at the end of the prior fiscal year, adjusted for significant market fluctuations since that time and for significant curtailments, settlements, or other significant one-off event.

(5) Significant accounting assumptions and judgments, and major sources of estimation uncertainty

The preparation of the consolidated financial statements in conformity with the Regulations and IAS 34 “Interim Financial Reporting” endorsed by the FSC requires management to make judgments, estimates and assumptions that affect the application of the accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The preparation of the consolidated financial statements, estimates and underlying assumptions are consistent with the consolidated financial statements for the year ended December 31, 2021. For the related information, please refer to Note 5 of the consolidated financial statements for the year ended December 31, 2021.

(6) Explanation of significant accounts

Except for the following disclosures, there were no significant differences in the disclosures of significant accounts between the consolidated financial statements for the consolidated financial statements for the year ended December 31, 2021. Please refer to Note 6 for the related information of the consolidated financial statements for the year ended December 31, 2021.

(a) Cash and cash equivalents

	June 30, 2022	December 31, 2021	June 30, 2021
Cash	\$ 18,219	19,180	18,545
Cash in banks	3,657,914	3,224,135	3,125,913
Cash in transit	3,035	-	-
Time deposits	1,022,520	794,111	1,621,376
Cash equivalents	1,219,144	1,169,130	79,845
	<u>\$ 5,920,832</u>	<u>5,206,556</u>	<u>4,845,679</u>

(Continued)

CONTINENTAL HOLDINGS CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

- (i) The cash and cash equivalents were not pledged as collateral.
- (ii) Please refer to Note 8 for the time deposits in pledge and restricted bank deposits reclassified to other current assets.
- (iii) Please refer to Note 6(ac) for the sensitivity analysis and interest rate risk of financial assets and liabilities.

(b) Financial assets at fair value through profit or loss

	June 30, 2022	December 31, 2021	June 30, 2021
Mandatorily measured at fair value through profit or loss:			
Non-derivative financial assets			
Stocks of unlisted company	\$ 606,305	606,305	606,305

- (i) The aforementioned financial assets were not pledged as collateral.
- (ii) Please refer to note 6(ac) for the credit risk and market risk.

(c) Financial assets at fair value through other comprehensive income

	June 30, 2022	December 31, 2021	June 30, 2021
Equity investments at fair value through other comprehensive income:			
Listed common share—Evergreen Steel Corp.	\$ 1,546,448	1,410,525	1,787,519
Unlisted common share—Xinrong Enterprise	659,980	659,980	607,523
Unlisted common share—Metro Consulting Service Ltd.	<u>2,363</u>	<u>2,363</u>	<u>2,306</u>
Total	\$ 2,208,791	2,072,868	2,397,348

- (i) The Group designated the investments shown above as equity securities as at fair value through other comprehensive income because these equity securities represent those investments that the Group intends to hold for long-term for strategic purposes.
- (ii) The Group recognized the dividends revenue of \$49,025 thousand and \$61,282 thousand related to equity investments designated at fair value through other comprehensive income for the six months ended June 30, 2022 and 2021.
- (iii) There were no disposals of strategic investments and transfers of any cumulative gain or loss within equity relating to these investments for the six months ended June 30, 2022 and 2021.
- (iv) The aforementioned financial assets were not pledged as collateral.

(Continued)

CONTINENTAL HOLDINGS CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(v) Please refer to note 6(ac) for the credit risk and market risk.

(d) Financial instruments used for hedging

	<u>June 30, 2022</u>	<u>December 31, 2021</u>	<u>June 30, 2021</u>
Cash flow hedge:			
Financial assets used for hedging	\$ 247,399	230,228	241,697
Financial liabilities used for hedging	-	(64)	(18)
Total	<u>\$ 247,399</u>	<u>230,164</u>	<u>241,679</u>

(i) The Group is exposed to certain foreign exchange risk arising from the payments made to overseas companies for the purchase of facilities, preparation of overseas related investment and some construction projects involving foreign consultant design fees, etc. The foreign exchange risk is estimated to be high, therefore, the Group decided to use derivative financial instruments for hedging purposes.

(ii) The items hedged and the hedge instrument held by the Group were as follows:

<u>Item Hedged</u>	<u>Hedge instrument</u>	<u>Hedge instrument designated to be hedge and fair value</u>			<u>Expected Cash flow Period</u>
		<u>June 30, 2022</u>	<u>December 31, 2021</u>	<u>June 30, 2021</u>	
Expected foreign assets	Foreign deposits	<u>\$ 122,990</u>	<u>135,434</u>	<u>257,396</u>	2022~2023
	Foreign billings	<u>\$ 121,470</u>	<u>110,854</u>	<u>-</u>	2022~2023
	Change in value of Foreign currency	<u>\$ 2,939</u>	<u>(16,060)</u>	<u>(15,699)</u>	

<u>Item Hedged</u>	<u>Hedge instrument</u>	<u>Hedge instrument designated to be hedge and fair value</u>			<u>Contract amount (in thousand)</u>	<u>Delivery date</u>
		<u>June 30, 2022</u>	<u>December 31, 2021</u>	<u>June 30, 2021</u>		
Expected foreign liabilities	Forward exchange	<u>\$ -</u>	<u>(64)</u>	<u>(18)</u>	-	-

(iii) The transactions of cash flow hedges for the six months ended June 30, 2022 and 2021, were all effective.

(Continued)

CONTINENTAL HOLDINGS CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(e) Notes and accounts receivable

	June 30, 2022	December 31, 2021	June 30, 2021
Notes receivable	\$ 45,188	325,540	85,914
Accounts receivable	2,074,649	3,153,462	2,441,996
Long-term accounts receivable	5,718,587	5,443,311	6,747,970
Less: Allowance for bad debts	-	-	-
	<u><u>\$ 7,838,424</u></u>	<u><u>8,922,313</u></u>	<u><u>9,275,880</u></u>

The Group applies the simplified approach to provide for its expected credit losses, i.e. the use of lifetime expected loss provision for all receivables. To measure the expected credit losses, notes receivable, accounts receivable and long-term accounts receivable have been grouped based on shared credit risk characteristics and the days past due, as well as incorporated forward looking information. The expected credit losses of the notes receivable, accounts receivable and long-term accounts receivable were as follows:

	June 30, 2022		
	Gross carrying amount	Weighted- average loss rate	Loss allowance provision
Not overdue	\$ 7,782,459	0.15%	-
Pass due less than one year	-	0%	-
Pass due over one year	55,965	0%	-
Pass due over two years	-	100%	-
	<u><u>\$ 7,838,424</u></u>		<u><u>-</u></u>
	December 31, 2021		
	Gross carrying amount	Weighted- average loss rate	Loss allowance provision
Not overdue	\$ 8,837,245	0.15%	-
Pass due less than one year	29,642	0%	-
Pass due over one year	55,426	0%	-
Pass due over two years	-	100%	-
	<u><u>\$ 8,922,313</u></u>		<u><u>-</u></u>

(Continued)

CONTINENTAL HOLDINGS CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	June 30, 2021		
	Gross carrying amount	Weighted- average loss rate	Loss allowance provision
Not overdue	\$ 9,209,270	0.19%	-
Pass due less than one year	54,532	0%	-
Pass due over one year	12,078	0%	-
Pass due over two years	-	100%	-
	<u>\$ 9,275,880</u>		<u>-</u>

(i) The notes and accounts receivable were not pledged as collateral.

(ii) Please refer to Note 8 for the long-term accounts receivable had been pledged as collateral.

(f) Other receivables

	June 30, 2022	December 31, 2021	June 30, 2021
Other receivables – lending of capital (including other non-current assets)	\$ 497,044	380,006	364,562
Other receivables – lawsuit	150,630	150,630	150,630
Other receivables – related parties	-	1,926	-
Other (including other non-current assets)	209,924	158,540	245,277
Less: Allowance for bad debts	-	-	-
	<u>\$ 857,598</u>	<u>691,102</u>	<u>760,469</u>

Please refer to Note 6(ac) for the credit risk information.

(g) Inventories

	June 30, 2022	December 31, 2021	June 30, 2021
Construction:			
Material on hand	\$ -	11	11
Hotel:			
Catering	431	14	-
Real estate:			
Real estate held for sale	12,759,955	17,526,652	6,905,533
Land held for development	1,372,836	-	241,290
Building construction in progress	11,936,766	10,990,072	21,347,927
Prepayment for land	1,220,414	95,918	75,057
Subtotal	27,289,971	28,612,642	28,569,807
Less: Allowance for impairment loss	(95,582)	(95,582)	(95,582)
	<u>\$ 27,194,820</u>	<u>28,517,085</u>	<u>28,474,236</u>

(Continued)

CONTINENTAL HOLDINGS CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

- (i) For the three months and six months ended June 30, 2022 and 2021, the cost of inventory was \$1,981,999 thousand, \$594,078 thousand, \$5,153,772 thousand and \$2,080,163 thousand, respectively.
- (ii) Due to the sales of the remaining real estates for the three months and six months ended June 30, 2021, the allowance for impairment loss was reversed, and the costs of goods sold were decreased by \$0 and \$667 thousand, respectively.
- (iii) Capitalizing interest costs were as follows:

	<u>For the three months ended June 30</u>		<u>For the six months ended June 30</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Interest costs	\$ <u>119,484</u>	<u>128,106</u>	<u>242,005</u>	<u>256,611</u>
Capitalized interests	\$ <u>26,325</u>	<u>79,555</u>	<u>52,971</u>	<u>152,558</u>
Capitalization interest rate	<u>1.4921%~6.65%</u>	<u>1.445%~6.4%</u>	<u>1.34%~6.65%</u>	<u>1.2876%~6.4%</u>

- (iv) Please refer to Note 8 for the inventories of the Group had been pledged as collateral.

- (h) Investments accounted for using equity method

	<u>June 30,</u> <u>2022</u>	<u>December 31,</u> <u>2021</u>	<u>June 30,</u> <u>2021</u>
Associates	\$ <u>1,418,160</u>	<u>1,413,928</u>	<u>1,388,366</u>

- (i) Associates

The Group's significant associates were as follows:

<u>Name of associates</u>	<u>Nature of Relationship with the Group</u>	<u>Main operating location/Registered Country of the Company</u>	<u>Percentage of ownership or voting power</u>		
			<u>June 30, 2022</u>	<u>December 31, 2021</u>	<u>June 30, 2021</u>
CTCI - HDEC (Chungli) Corp. (CTCI - HDEC)	SPC, mainly responsible for the sewerage system BOT project in Chung-Li area, Taoyuan City.	Taiwan	49 %	49 %	49 %
Fanlu Construction Industry Co., Ltd. (Fanlu)	Real estate	Taiwan	35 %	35 %	35 %

The financial figures of the Group's significant associates are summarized in the following tables. In order to reflect the adjustments made to the fair value upon share acquisition and the differences in accounting policies, adjustments for the amounts presented on the financial statements of associates in accordance with IFRSs has been made to such financial figures.

(Continued)

CONTINENTAL HOLDINGS CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

1) Summary of CTCI - HDEC's financial figures

	June 30, 2022	December 31, 2021	June 30, 2021
Current assets	\$ 853,704	997,420	1,141,613
Non-current assets	1,119,143	695,046	347,627
Current liabilities	(361,062)	(118,519)	(17,783)
Non-current liabilities	(29,015)	(20,240)	-
Net assets	<u>\$ 1,582,770</u>	<u>1,553,707</u>	<u>1,471,457</u>

	For the three months ended June 30		For the six months ended June 30	
	2022	2021	2022	2021
Revenues	<u>\$ 198,996</u>	<u>2,916</u>	<u>422,625</u>	<u>7,518</u>
Net income (loss)/ Total comprehensive income	<u>\$ 14,252</u>	<u>(2,533)</u>	<u>29,400</u>	<u>(2,731)</u>
Net assets attributable to the Group, January 1	\$ 768,739	722,255	761,317	232,352
Additions	-	-	-	490,000
Total comprehensive income attributable to the Group	<u>6,984</u>	<u>(1,241)</u>	<u>14,406</u>	<u>(1,338)</u>
Net assets attributable to the Group, June 30	<u>\$ 775,723</u>	<u>721,014</u>	<u>775,723</u>	<u>721,014</u>

2) Summary of Fanlu's financial figures

	June 30, 2022	December 31, 2021	June 30, 2021
Current assets	\$ 4,503,839	4,493,011	4,445,721
Non-current assets	3,899	11,850	4,620
Current liabilities	(467,151)	(435,205)	(338,570)
Non-current liabilities	(2,205,000)	(2,205,000)	(2,205,000)
Net assets	<u>\$ 1,835,587</u>	<u>1,864,656</u>	<u>1,906,771</u>

	For the three months ended June 30		For the six months ended June 30	
	2022	2021	2022	2021
Revenues	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net loss/ Total comprehensive income	<u>\$ (12,530)</u>	<u>(36,545)</u>	<u>(29,069)</u>	<u>(59,523)</u>

(Continued)

CONTINENTAL HOLDINGS CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	For the three months ended June 30		For the six months ended June 30	
	2022	2021	2022	2021
Net assets attributable to the Group, January 1	\$ 646,823	505,143	652,611	513,185
Additions	-	175,000	-	175,000
Total Comprehensive income attributable to the Group	(4,386)	(12,791)	(10,174)	(20,833)
Net assets attributable to the Group, June 30	\$ 642,437	667,352	642,437	667,352

- (ii) The aforementioned investments accounted for using equity method were not pledged as collateral.
- (iii) The investments accounted for using equity method, net income (losses) and other comprehensive income attributable to the Group were recognized solely on the financial statements prepared by these investee companies, but not reviewed by independent auditors.
- (i) Material non-controlling interest of subsidiaries

Subsidiaries	Country of registration	Equity ownership of non-controlling interest		
		June 30, 2022	December 31, 2021	June 30, 2021
CDC US Corp. and subsidiaries	The United States	29.35 %	29.35 %	29.35 %

The following information of the aforementioned subsidiaries have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers. Adjustments were made to reflect the fair value adjustment made during the acquisition and relevant difference in accounting principles between the Company and its subsidiaries as at the acquisition date. Intra-group transactions were not eliminated.

Summary of CDC US Corp. and subsidiaries' financial figures

	June 30, 2022	December 31, 2021	June 30, 2021
Current assets	\$ 10,589,056	10,023,214	9,224,546
Non-current assets	1,926	1,794	1,805
Current liabilities	(6,617,961)	(6,234,934)	(5,355,702)
Non-current liabilities	(340,570)	(311,400)	(313,425)
Net assets	\$ 3,632,451	3,478,674	3,557,224
Non-controlling interest	\$ 1,735,775	1,659,733	1,695,158

(Continued)

CONTINENTAL HOLDINGS CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	For the three months ended June 30		For the six months ended June 30	
	2022	2021	2022	2021
Revenues	\$ <u>47,217</u>	<u>-</u>	<u>192,851</u>	<u>-</u>
Net loss	\$ <u>(50,641)</u>	<u>(3,205)</u>	<u>(99,164)</u>	<u>(4,954)</u>
Other comprehensive income	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total comprehensive income	\$ <u>(50,641)</u>	<u>(3,205)</u>	<u>(99,164)</u>	<u>(4,954)</u>
Net loss attributable to non-controlling interest	\$ <u>(23,063)</u>	<u>(60)</u>	<u>(44,729)</u>	<u>(63)</u>
Total comprehensive income attributable to non-controlling interest	\$ <u>(23,063)</u>	<u>(60)</u>	<u>(44,729)</u>	<u>(63)</u>

(j) Property, plant and equipment

	<u>Land</u>	<u>Buildings</u>	<u>Machinery</u>	<u>Transportation equipment</u>	<u>Computer equipment</u>	<u>Office equipment</u>	<u>Operating equipment</u>	<u>Total</u>
Cost or deemed cost:								
Balance at January 1, 2022	\$ 1,954,252	2,101,888	932,775	159,225	86,426	144,164	35,408	5,414,138
Additions	-	4,924	28,541	11,993	2,636	674	8,837	57,605
Disposals	-	-	(1,290)	(16,360)	(1,501)	(1,703)	-	(20,854)
Effect of exchange rate changes	<u>5,086</u>	<u>23,253</u>	<u>6</u>	<u>374</u>	<u>557</u>	<u>861</u>	<u>581</u>	<u>30,718</u>
Balance at June 30, 2022	\$ <u>1,959,338</u>	<u>2,130,065</u>	<u>960,032</u>	<u>155,232</u>	<u>88,118</u>	<u>143,996</u>	<u>44,826</u>	<u>5,481,607</u>
Balance at January 1, 2021	\$ 1,625,650	600,831	617,990	167,028	70,200	133,550	-	3,215,249
Additions	-	-	44,803	5,632	161	1,289	-	51,885
Reclassification	-	-	90,531	-	4,545	146	-	95,222
Disposals	-	-	(2,384)	(4,437)	(501)	(518)	-	(7,840)
Effect of exchange rate changes	<u>-</u>	<u>-</u>	<u>(14)</u>	<u>(538)</u>	<u>(293)</u>	<u>(395)</u>	<u>-</u>	<u>(1,240)</u>
Balance at June 30, 2021	\$ <u>1,625,650</u>	<u>600,831</u>	<u>750,926</u>	<u>167,685</u>	<u>74,112</u>	<u>134,072</u>	<u>-</u>	<u>3,353,276</u>
Depreciation and impairment loss:								
Balance at January 1, 2022	\$ -	247,468	491,109	122,272	54,776	118,615	601	1,034,841
Depreciation	-	21,506	124,485	5,471	5,010	3,548	4,579	164,599
Disposals	-	-	(1,290)	(9,632)	(1,477)	(1,410)	-	(13,809)
Effect of exchange rate changes	<u>-</u>	<u>56</u>	<u>5</u>	<u>360</u>	<u>431</u>	<u>853</u>	<u>26</u>	<u>1,731</u>
Balance at June 30, 2022	\$ <u>-</u>	<u>269,030</u>	<u>614,309</u>	<u>118,471</u>	<u>58,740</u>	<u>121,606</u>	<u>5,206</u>	<u>1,187,362</u>
Balance at January 1, 2021	\$ -	234,902	336,951	129,491	52,465	115,722	-	869,531
Depreciation	-	6,282	57,738	5,918	3,977	2,614	-	76,529
Disposals	-	-	(2,367)	(4,211)	(501)	(518)	-	(7,597)
Effect of exchange rate changes	<u>-</u>	<u>-</u>	<u>(13)</u>	<u>(463)</u>	<u>(199)</u>	<u>(377)</u>	<u>-</u>	<u>(1,052)</u>
Balance at June 30, 2021	\$ <u>-</u>	<u>241,184</u>	<u>392,309</u>	<u>130,735</u>	<u>55,742</u>	<u>117,441</u>	<u>-</u>	<u>937,411</u>
Carrying amounts:								
Balance, at January 1, 2022	\$ <u>1,954,252</u>	<u>1,854,420</u>	<u>441,666</u>	<u>36,953</u>	<u>31,650</u>	<u>25,549</u>	<u>34,807</u>	<u>4,379,297</u>
Balance at June 30, 2022	\$ <u>1,959,338</u>	<u>1,861,035</u>	<u>345,723</u>	<u>36,761</u>	<u>29,378</u>	<u>22,390</u>	<u>39,620</u>	<u>4,294,245</u>
Balance at June 30, 2021	\$ <u>1,625,650</u>	<u>359,647</u>	<u>358,617</u>	<u>36,950</u>	<u>18,370</u>	<u>16,631</u>	<u>-</u>	<u>2,415,865</u>

(Continued)

CONTINENTAL HOLDINGS CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

- (i) Please refer to Note 6(ab) for the details of the gain and loss on disposal of property, plant and equipment.
- (ii) Please refer to Note 8 for the property, plant and equipment had been pledged as collateral for long-term borrowing and constructions guarantee.
- (k) Right-of-use assets

	<u>Land</u>	<u>Buildings</u>	<u>Transportation equipment</u>	<u>Total</u>
Cost:				
Balance at January 1, 2022	\$ 95,125	197,729	6,050	298,904
Additions	6,007	24,946	1,805	32,758
Disposals	(25,278)	(17,695)	-	(42,973)
Effect of exchange rate changes	-	3,337	-	3,337
Balance at June 30, 2022	<u>\$ 75,854</u>	<u>208,317</u>	<u>7,855</u>	<u>292,026</u>
Balance at January 1, 2021	\$ 78,861	191,058	5,533	275,452
Additions	7,753	31,654	-	39,407
Disposals	(4,555)	(15,832)	-	(20,387)
Effect of exchange rate changes	-	(1,758)	-	(1,758)
Balance at June 30, 2021	<u>\$ 82,059</u>	<u>205,122</u>	<u>5,533</u>	<u>292,714</u>
Depreciation and impairment losses:				
Balance at January 1, 2022	\$ 46,637	120,032	4,218	170,887
Depreciation	12,503	37,526	1,108	51,137
Disposals	(24,914)	(17,695)	-	(42,609)
Effect of exchange rate changes	-	2,758	-	2,758
Balance at June 30, 2022	<u>\$ 34,226</u>	<u>142,621</u>	<u>5,326</u>	<u>182,173</u>
Balance at January 1, 2021	\$ 29,053	83,462	2,143	114,658
Depreciation	13,723	34,589	1,016	49,328
Disposals	(4,538)	(15,295)	-	(19,833)
Effect of exchange rate changes	-	(855)	-	(855)
Balance at June 30, 2021	<u>\$ 38,238</u>	<u>101,901</u>	<u>3,159</u>	<u>143,298</u>
Carrying amounts:				
Balance at January 1, 2022	<u>\$ 48,488</u>	<u>77,697</u>	<u>1,832</u>	<u>128,017</u>
Balance at June 30, 2022	<u>\$ 41,628</u>	<u>65,696</u>	<u>2,529</u>	<u>109,853</u>
Balance at June 30, 2021	<u>\$ 43,821</u>	<u>103,221</u>	<u>2,374</u>	<u>149,416</u>

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CONTINENTAL HOLDINGS CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(l) Investment properties

	Owned		Total
	Land and improvements	Buildings	
Carrying amounts:			
Balance at January 1, 2022	\$ <u>7,613,769</u>	<u>1,069,731</u>	<u>8,683,500</u>
Balance at June 30, 2022	\$ <u>7,613,769</u>	<u>1,054,901</u>	<u>8,668,670</u>
Balance at June 30, 2021	\$ <u>7,946,142</u>	<u>2,484,404</u>	<u>10,430,546</u>

- (i) There were no significant disposal, and recognition or reversal of impairment losses of investment properties for the six months ended June 30, 2022 and 2021. Please refer to Note 12 for the depreciation for the period. Please refer to Note 6(l) for the other related information of the consolidated financial statements for the year ended December 31, 2021.
- (ii) There were no significant differences in the disclosures of the fair value of investment properties attributable to the Group between Note 6(l) of the consolidated financial statements for the year ended December 31, 2021.
- (iii) Please refer to Note 8 for the investment properties had been pledged as collateral for long-term borrowings and construction guarantee.

(m) Intangible assets

	Goodwill	Service Concession Agreements	Total
	Carrying amounts:		
Balance at January 1, 2022	\$ <u>30,249</u>	<u>1,077,947</u>	<u>1,108,196</u>
Balance at June 30, 2022	\$ <u>30,249</u>	<u>1,071,148</u>	<u>1,101,397</u>
Balance at June 30, 2021	\$ <u>30,249</u>	<u>1,087,962</u>	<u>1,118,211</u>

- (i) There were no significant additions, disposal, and recognition or reversal of impairment losses of intangible assets for the six months ended June 30, 2022 and 2021. Please refer to Note 12 for the amortization for the period. Please refer to Note 6(m) for the other related information of the consolidated financial statements for the year ended December 31, 2021.
- (ii) Please refer to Note 8 for the intangible assets had been pledged as collateral for long-term borrowings and financing limit.

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CONTINENTAL HOLDINGS CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(n) Short-term borrowings

	June 30, 2022	December 31, 2021	June 30, 2021
Unsecured loans	\$ 1,255,310	263,473	804,341
Secured loans	<u>8,573,755</u>	<u>9,135,439</u>	<u>9,557,620</u>
	<u>\$ 9,829,065</u>	<u>9,398,912</u>	<u>10,361,961</u>
Unused credit limit	<u>\$ 14,236,841</u>	<u>18,495,877</u>	<u>18,482,419</u>
Range of interest rate	<u>1.18%~5.00%</u>	<u>1.08%~3.75%</u>	<u>1.00%~3.75%</u>

(i) Borrowing and repayment

For the six months ended June 30, 2022 and 2021, the Group additions borrowings amounted to \$10,519,761 thousand and \$7,461,160 thousand, with interest rates of 1.00%~5.00% and 0.95%~3.75%, maturing ranging from February 2022 to March 2027 and February 2021 to December 2021, respectively; while the repayments amounted to \$10,437,363 thousand and \$7,066,252 thousand, respectively.

(ii) Please refer to Note 8 for the details of the related assets pledged as collateral.

(o) Short-term notes and bills payable

	June 30, 2022	December 31, 2021	June 30, 2021
Bills payable	<u>\$ 130,000</u>	<u>-</u>	<u>500,000</u>

For the six months ended June 30, 2022 and 2021, the Group additions bills payable amounted to \$730,000 thousand and \$1,780,000 thousand, with interest rates of 1.20%~1.53% and 0.948%~1.49%, maturing ranging from March 2022 to September 2022 and February 2021 to October 2021, respectively; while the repayments amounted to \$600,000 thousand and \$2,100,000 thousand, respectively.

(p) Bonds payable

	June 30, 2022	December 31, 2021	June 30, 2021
Secured ordinary bonds issued	\$ 2,000,000	2,000,000	2,000,000
Unamortized discount on bonds payable	<u>(2,528)</u>	<u>(2,890)</u>	<u>(3,251)</u>
	<u>\$ 1,997,472</u>	<u>1,997,110</u>	<u>1,996,749</u>

(i) There were no issued, repurchased or redeemed of bonds payable for the six months ended June 30, 2022. Please refer to Note 6(p) for the related information of the consolidated financial statements for the year ended December 31, 2021.

(ii) Please refer to Note 6(ab) for the interest expenses.

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CONTINENTAL HOLDINGS CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(q) Long-term borrowings

	June 30, 2022	December 31, 2021	June 30, 2021
Unsecured loans	\$ 3,324,000	4,809,000	4,014,000
Secured loans	7,136,553	7,153,386	7,304,124
Less: current portion	<u>(1,453,053)</u>	<u>(1,980,000)</u>	<u>(1,934,500)</u>
Total	<u>\$ 9,007,500</u>	<u>9,982,386</u>	<u>9,383,624</u>
Unused credit limit	<u>\$ 7,863,179</u>	<u>7,179,123</u>	<u>7,547,498</u>
Range of interest rate	<u>1.20%~5.42925%</u>	<u>1.19%~5.42925%</u>	<u>1.19%~5.42925%</u>

(i) Borrowing and repayment

For the six months ended June 30, 2022 and 2021, the Group additions borrowings amounted to \$748,512 thousand and \$3,713,402 thousand, with interest rates of 1.20%~4.89429% and 1.12798%~2.8345%, maturing ranging from March 2022 to October 2029 and February 2021 to January 2027, respectively; while the repayments amounted to \$2,259,948 thousand and \$4,262,817 thousand, respectively.

(ii) Please refer to Note 8 for the details of the related assets pledged as collateral.

(iii) The loan agreement requires the Group to maintain certain financial ratios; please refer to Note 6(q) of the consolidated financial statements for the year ended December 31, 2021. The Group did not violate any terms in its loan agreements as of June 30, 2022, December 31 and June 30, 2021.

(r) Lease liabilities

	June 30, 2022	December 31, 2021	June 30, 2021
Current	<u>\$ 100,024</u>	<u>116,791</u>	<u>124,643</u>
Non-current	<u>\$ 10,883</u>	<u>14,304</u>	<u>27,122</u>

Please refer to Note 6(ac) for the maturity analysis.

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CONTINENTAL HOLDINGS CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

The amounts recognized in profit or loss were as follows:

	<u>For the three months ended June 30</u>		<u>For the six months ended June 30</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Interest on lease liabilities	\$ <u>551</u>	<u>814</u>	<u>1,195</u>	<u>1,730</u>
Variable lease payments not included in the measurement of lease liabilities	\$ <u>3,803</u>	<u>1,946</u>	<u>6,580</u>	<u>4,007</u>
Expenses relating to short-term leases	\$ <u>2,237</u>	<u>8,345</u>	<u>4,451</u>	<u>13,481</u>
Expenses relating to leases of low-value, excluding short-term leases of low-value assets	\$ <u>162</u>	<u>532</u>	<u>352</u>	<u>786</u>

The amounts recognized in the statement of cash flows were as follows :

	<u>For the six months ended June 30</u>	
	<u>2022</u>	<u>2021</u>
Total cash outflow for leases	\$ <u>65,788</u>	<u>71,090</u>

(i) Real estate leases

The Group leases land and buildings for its office space, work station and staff dormitory which leases typically run for a period of one to eight years. Some leases include an option to renew the lease for an additional period of the same duration after the end of the contract term.

Some leases provide for additional rent payments that are based on changes in local price indices.

(ii) Other leases

The Group leases transportation equipment, with lease terms of one to five years.

In addition, the Group leases office equipment, machinery and parking spot, with lease terms of one to three years which are short-term or variable lease payments items. The Group has elected not to recognize right-of-use assets and lease liabilities for these leases.

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CONTINENTAL HOLDINGS CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(s) Provision

	June 30, 2022	December 31, 2021	June 30, 2021
Warranties	\$ 155,146	132,662	108,120
After-sales service	154,915	155,822	146,483
Onerous contract	116,908	122,359	141,450
	<u>\$ 426,969</u>	<u>410,843</u>	<u>396,053</u>

There were no significant changes of provision for the six months ended June 30, 2022 and 2021. Please refer to Note 6(s) for the related information of the consolidated financial statements for the year ended December 31, 2021.

(t) Operating leases

There were no significant additions of operating leases for the six months ended June 30, 2022 and 2021. Please refer to Note 6(t) for the related information of the consolidated financial statements for the year ended December 31, 2021.

(u) Long-term accounts payable

The Group established subsidiaries in the United States in 2017.

Due to the agreements entered into by the Group with its prior shareholders, the Group will have to pay after the completion of the construction projects of its subsidiaries. Unpaid amount to June 30, 2022, December 31, 2021 and June 30, 2021, are \$340,570 thousand, \$311,400 thousand and \$313,425 thousand, respectively.

(v) Employee benefits

(i) Defined benefit plans

There were no material market volatility, no material reimbursement and settlement or other material one-time events since prior fiscal year. As a result, the pension cost in the accompanying interim period was measured and disclosed according to the actuarial report as of December 31, 2021 and 2020.

Expenses recognized in profit or loss :

	For the three months ended June 30		For the six months ended June 30	
	2022	2021	2022	2021
Operating costs	\$ 236	-	464	-
Operating expenses	665	1,379	1,405	2,757
	<u>\$ 901</u>	<u>1,379</u>	<u>1,869</u>	<u>2,757</u>

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CONTINENTAL HOLDINGS CORPORATION AND SUBSIDIARIES
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(ii) Defined contribution plans

According to the defined contribution plans, the contributions of the Group to the Bureau of Labor Insurance for the employees' pension benefits were as follows:

	For the three months ended June 30		For the six months ended June 30	
	2022	2021	2022	2021
Operating costs	\$ 9,994	9,137	19,532	18,016
Operating expenses	6,293	5,191	12,418	10,318
	<u>\$ 16,287</u>	<u>14,328</u>	<u>31,950</u>	<u>28,334</u>

(w) Income Tax

(i) Income tax expenses

	For the three months ended June 30		For the six months ended June 30	
	2022	2021	2022	2021
Current income tax expenses				
Current period	\$ 133,785	33,866	211,213	61,833
Land value increment tax	28,693	16,109	81,650	52,449
Surtax on unappropriated earnings	-	12,027	-	12,027
Adjustment for prior periods	(110,252)	(1)	(110,250)	(5,584)
Income tax expenses	<u>\$ 52,226</u>	<u>62,001</u>	<u>182,613</u>	<u>120,725</u>

(ii) Status of approval of income tax

- 1) The Company's income tax returns for the year up to 2019 have been assessed by the tax authorities. (Not yet assessed for 2018)
- 2) The Group's income tax returns have been assessed by the tax authorities were as follows:

Year of assessed	Company
2019	CEC (Not yet assessed for 2018), CDC (Not yet assessed for 2018), and HDEC
2020	SDC, BWC, LHC, PDC, NSC, and CCD

(x) Capital and other equity

Except for the following disclosure, there were no significant changes for capital and other equity for the six months ended June 30, 2022 and 2021. For the related information, please refer to Note 6(x) of the consolidated financial statements for the year ended December 31, 2021.

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CONTINENTAL HOLDINGS CORPORATION AND SUBSIDIARIES
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(i) Retained earnings

In accordance with the Company's articles of incorporation, net income of the current period should firstly be offset against losses in the previous years and income tax, then with 10% of which be appropriated as legal reserve. The appropriation for legal reserve is discontinued when the balance of the legal reserve equals the total authorized capital. In addition, special reserve will be appropriated base on operating requirements and regulations. The remaining net income plus the undistributed earnings shall be distributed according to the distribution plan. If the Company incurs no accumulated deficit, a minimum of 30% of the amount of shareholders' dividends shall be distributed based on the net earnings, and at least 30% of the total dividends shall be distributed in cash.

The distribution plan shall issue new shares, which should be proposed by the Board of Directors and submitted to the shareholders' meeting for approval, and pay cash dividends which should be adopted by a majority votes of the directors present at the board meeting attended by two-thirds of the directors, thereafter, to be reported at the shareholders' meeting.

1) Legal Reserve

When the Company incurs no loss, it may, pursuant to a resolution by a shareholders' meeting, as required, distribute its legal reserve by issuing new shares or by distributing cash, and only the portion of legal reserve which exceeds 25% of paid in capital.

2) Special Reserve

The Company applied the exemptions at the first-time adoption of IFRSs and increased its retained earnings by \$4,448,666 thousand, which were resulted from unrealized revaluation increments, exchange differences on translation of foreign financial statements, and the fair value of investment properties being used as the cost on initial recognitions at the transition date, as well as the amount of \$2,592,640 thousand being appropriated to special reserve according to Ruling issued by the FSC. The aforementioned special reserve may be reversed in proportion with the usage, disposal, or reclassification of the related assets, and then, be distributed afterwards. As of June 30, 2022, December 31, 2021 and June 30, 2021, the special reserve related to all IFRSs adjustments amounted to \$2,262,233 thousand.

A portion of current-period earnings and undistributed prior-period earnings shall be reclassified as special earnings reserve during earning distribution. The amount to be reclassified should equal the current-period total net reduction of other stockholders' equity. Similarly, a portion of undistributed prior-period earnings shall be reclassified as special earnings reserve (and does not qualify for earnings distribution) to account for cumulative changes to other stockholders' equity pertaining to prior periods. Amounts of subsequent reversals pertaining to the net reduction of other stockholders' equity shall qualify for additional distributions.

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CONTINENTAL HOLDINGS CORPORATION AND SUBSIDIARIES
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3) Earnings distribution

The amounts of cash dividends on the appropriations of earnings for 2021 and 2020 had been approved during the board meeting on March 15, 2022, and March 16, 2021, respectively. The other distributions on the appropriations of earnings for 2021 and 2020 had been approved during the shareholders' meeting on June 9, 2022 and July 30, 2021, respectively. The relevant dividend distributions to shareholders were as follows:

	2021		2020	
	Amount per share	Total Amount	Amount per share	Total Amount
Dividends distributed to common shareholders:				
Cash	\$ 1.68	1,383,003	1.40	1,152,502

(ii) Other equity

	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	Gains (losses) on hedging instruments	Total
Balance at January 1, 2022	\$ (969,251)	1,228,678	(16,124)	243,303
Exchange differences on foreign operations	186,935	-	-	186,935
Unrealized gains from financial assets measured at fair value through other comprehensive income	-	135,923	-	135,923
Change in fair value of hedging instrument	-	-	19,063	19,063
Balance at June 30, 2022	\$ (782,316)	1,364,601	2,939	585,224
Balance at January 1, 2021	\$ (865,391)	946,889	(17,289)	64,209
Exchange differences on foreign operations	(82,416)	-	-	(82,416)
Unrealized gains from financial assets measured at fair value through other comprehensive income	-	606,269	-	606,269
Change in fair value of hedging instrument	-	-	1,572	1,572
Balance at June 30, 2021	\$ (947,807)	1,553,158	(15,717)	589,634

(y) Earnings per share

	For the three months ended June 30		For the six months ended June 30	
	2022	2021	2022	2021
Basic earnings per share				
Net income attributable to ordinary shareholders	\$ 940,928	321,948	2,179,752	802,952
Weighted average number of ordinary shares (Basic)	823,316	823,216	823,316	823,216
Basic earnings per share (NT dollars)	\$ 1.14	0.39	2.65	0.98

(Continued)

CONTINENTAL HOLDINGS CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	<u>For the three months ended June 30</u>		<u>For the six months ended June 30</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Diluted earnings per share				
Net income attributable to ordinary shareholders (after adjusting the effects of all dilutive potential ordinary shares)	\$ <u>940,928</u>	<u>321,948</u>	<u>2,179,752</u>	<u>802,952</u>
Weighted average number of ordinary shares (Basic)	823,216	823,216	823,216	823,216
Effect of the employee share bonuses				
Employee stock bonus	<u>429</u>	<u>150</u>	<u>599</u>	<u>281</u>
Weighted average number of ordinary shares (after adjusting the effects of all dilutive potential ordinary shares)	<u>823,645</u>	<u>823,366</u>	<u>823,815</u>	<u>823,497</u>
Diluted earnings per share (NT dollars)	\$ <u>1.14</u>	<u>0.39</u>	<u>2.65</u>	<u>0.98</u>

(z) Revenue from contracts with customers

(i) Disaggregation of revenue

	<u>For the three months ended June 30, 2022</u>			
	<u>Construction Engineering</u>	<u>Real Estate Development</u>	<u>Environmental Project Development & Water Treatment</u>	<u>Total</u>
Primary geographical markets:				
Taiwan	\$ 4,097,823	2,989,762	1,077,868	8,165,453
Other	<u>10,041</u>	<u>65,636</u>	<u>-</u>	<u>75,677</u>
	<u>\$ 4,107,864</u>	<u>3,055,398</u>	<u>1,077,868</u>	<u>8,241,130</u>
Main products:				
Construction engineering	\$ 4,093,727	-	-	4,093,727
Environmental project development & water treatment	-	-	1,077,868	1,077,868
Real estate revenue	-	2,972,423	-	2,972,423
Rental revenue	7,878	39,014	-	46,892
Other	<u>6,259</u>	<u>43,961</u>	<u>-</u>	<u>50,220</u>
	<u>\$ 4,107,864</u>	<u>3,055,398</u>	<u>1,077,868</u>	<u>8,241,130</u>

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CONTINENTAL HOLDINGS CORPORATION AND SUBSIDIARIES
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For the three months ended June 30, 2021				
	Construction Engineering	Real Estate Development	Environmental Project Development & Water Treatment	Total
Primary geographical markets:				
Taiwan	\$ 3,776,632	900,150	761,347	5,438,129
Other	<u>153,836</u>	<u>49</u>	<u>-</u>	<u>153,885</u>
	<u>\$ 3,930,468</u>	<u>900,199</u>	<u>761,347</u>	<u>5,592,014</u>
Main products:				
Construction engineering	\$ 3,920,974	-	-	3,920,974
Environmental project development & water treatment	-	-	761,347	761,347
Real estate revenue	-	824,919	-	824,919
Rental revenue	7,872	38,632	-	46,504
Other	<u>1,622</u>	<u>36,648</u>	<u>-</u>	<u>38,270</u>
	<u>\$ 3,930,468</u>	<u>900,199</u>	<u>761,347</u>	<u>5,592,014</u>
For the six months ended June 30, 2022				
	Construction Engineering	Real Estate Development	Environmental Project Development & Water Treatment	Total
Primary geographical markets:				
Taiwan	\$ 8,276,269	7,463,221	2,248,697	17,988,187
Other	<u>62,332</u>	<u>213,657</u>	<u>-</u>	<u>275,989</u>
	<u>\$ 8,338,601</u>	<u>7,676,878</u>	<u>2,248,697</u>	<u>18,264,176</u>
Main products:				
Construction engineering	\$ 8,311,089	-	-	8,311,089
Environmental project development & water treatment	-	-	2,248,697	2,248,697
Real estate revenue	-	7,528,686	-	7,528,686
Rental revenue	14,480	77,551	-	92,031
Other	<u>13,032</u>	<u>70,641</u>	<u>-</u>	<u>83,673</u>
	<u>\$ 8,338,601</u>	<u>7,676,878</u>	<u>2,248,697</u>	<u>18,264,176</u>

(Continued)

CONTINENTAL HOLDINGS CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	For the six months ended June 30, 2021			
	Construction Engineering	Real Estate Development	Environmental Project Development & Water Treatment	Total
Primary geographical markets:				
Taiwan	\$ 6,764,121	3,004,726	1,859,347	11,628,194
Other	316,320	184	-	316,504
	\$ 7,080,441	3,004,910	1,859,347	11,944,698
Main products:				
Construction engineering	\$ 7,062,342	-	-	7,062,342
Environmental project development & water treatment	-	-	1,859,347	1,859,347
Real estate revenue	-	2,869,999	-	2,869,999
Rental revenue	15,454	77,284	-	92,738
Other	2,645	57,627	-	60,272
	\$ 7,080,441	3,004,910	1,859,347	11,944,698

(ii) Contract balances

	June 30, 2022	December 31, 2021	June 30, 2021
Notes receivable	\$ 45,188	325,540	85,914
Accounts receivable (including long-term accounts receivable)	7,793,236	8,596,773	9,189,966
Less: Allowance for impairment	-	-	-
Total	\$ 7,838,424	8,922,313	9,275,880
Contract assets-construction engineering	\$ 1,742,559	1,481,752	1,194,835
Contract assets-retention receivables	3,338,819	2,862,303	2,637,005
Total	\$ 5,081,378	4,344,055	3,831,840
Contract liabilities-construction engineering	\$ 5,015,390	4,581,006	4,224,682
Contract liabilities-environment project development & water treatment	147,290	113,145	186,266
Contract liabilities-advance real estate receipts	2,490,052	4,061,925	3,809,871
Contract liabilities-advance rent receipts	4,100	4,199	3,840
Total	\$ 7,656,832	8,760,275	8,224,659

(Continued)

CONTINENTAL HOLDINGS CORPORATION AND SUBSIDIARIES
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- 1) Please refer to Note 6(e) for the accounts receivable and allowance for impairment.
- 2) Please refer to Note 6(s) for the onerous contracts.
- 3) The amounts of revenue recognized for the three months and six months ended June 30, 2022 and 2021 that were included in the contract liability balance at the beginning of the year were \$792,921 thousand, \$17,455 thousand, \$2,200,668 thousand and \$667,129 thousand, respectively.
- 4) Please refer to Note 9 for the amounts of the above contracts.

(aa) Remuneration for employees and directors

Based on the Company's articles of incorporation, remuneration for employees and directors is appropriated at the rate of 0.5% and a rate no more than 0.5%, respectively, of the income before tax. The Company should make up its prior years' accumulated deficit before any appropriation of profits. Employees of subsidiaries may also be entitled to the employee remuneration of the Company, which can be settled in the form of cash or stock.

For the three months and six months ended June 30, 2022 and 2021, the Company amounted its employee remuneration to be \$4,724 thousand, \$1,678 thousand, \$11,198 thousand and \$4,095 thousand and its director's remuneration to be \$0. The estimated amounts mentioned above are calculated based on the percentage of remuneration to employees and directors as specified in the Company's articles. These remunerations were expensed under operating expenses in the respective periods. If the distribution in the following year is different from the estimate, the difference will be regarded as changes in accounting estimates and will be reflected in profit or loss in the following year.

For the year ended December 31, 2021 and 2020, the Company amounted its employee remuneration to be \$9,774 thousand and \$7,372 thousand and its director's remuneration to be \$0, there were no differences between the actual distribution. Related information would be available at the Market Observation Post System website.

(ab) Non-operating income and expenses

(i) Interest income

	For the three months ended June 30		For the six months ended June 30	
	2022	2021	2022	2021
Interest income from bank deposits	\$ 4,579	10,350	8,786	17,214
Other interest income	384	3,132	3,134	4,940
	<u>\$ 4,963</u>	<u>13,482</u>	<u>11,920</u>	<u>22,154</u>

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CONTINENTAL HOLDINGS CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(ii) Other income

	For the three months ended June 30		For the six months ended June 30	
	2022	2021	2022	2021
Dividend income	\$ 49,025	61,282	49,025	61,282
Other income-other	5,996	12,511	10,596	16,805
Income from counter-party default	13	-	533	-
Gain on overdue payables written off	3,359	-	3,359	-
	<u>\$ 58,393</u>	<u>73,793</u>	<u>63,513</u>	<u>78,087</u>

(iii) Other gains and losses

	For the three months ended June 30		For the six months ended June 30	
	2022	2021	2022	2021
Net gains (losses) on disposals of property, plant and equipment	\$ 373	60	(228)	123
Net gains on disposals of investment properties	-	2,783	-	2,783
Net foreign exchange (losses) gains	(15,167)	(45,613)	15,077	(74,958)
Other	(1,474)	(56)	(1,474)	(56)
	<u>\$ (16,268)</u>	<u>(42,826)</u>	<u>13,375</u>	<u>(72,108)</u>

(iv) Financial costs

	For the three months ended June 30		For the six months ended June 30	
	2022	2021	2022	2021
Interest expenses-borrowings	\$ 112,835	121,194	228,614	242,981
Interest expenses-bonds payables (including amortization expenses)	6,098	6,098	12,196	11,900
Interest lease liabilities	551	814	1,195	1,730
Less: capitalized interest	(26,325)	(79,555)	(52,971)	(152,558)
	<u>\$ 93,159</u>	<u>48,551</u>	<u>189,034</u>	<u>104,053</u>

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CONTINENTAL HOLDINGS CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(ac) Financial instruments

(i) Credit risk

1) Credit risk exposure

As of June 30, 2022, December 31, 2021 and June 30, 2021, the Group's maximum credit risk exposure resulting from un-collectability of accounts receivable from transaction parties and financial losses from offering financial guarantee was as follows:

- The book value of financial assets and contract assets recognized on the balance sheet; and
- The financial guarantee provided by the Group both amounted to \$1,900,000 thousand.

2) Credit risk concentrations

Clients of the Group are concentrated in the real estate development industry and government entities. To minimize credit risks, the Group assesses the financial positions of the clients periodically and requests collateral or guarantees if necessary. The Group also evaluates the collectability of receivables and the provision for doubtful accounts on a regular basis. The relevant losses on bad debts are generally under the Group's expectation.

3) Receivables of credit risk

Please refer to note 6(e) for the credit risk exposure of notes receivable, accounts receivable and long-term accounts receivable.

Other financial assets at amortized cost includes other receivables.

All of these financial assets are considered to have low risk, and thus the impairment provision recognized during the period was limited to 12 months expected losses. There were no recognition or reversal of impairment losses for the six months ended June 30, 2022 and 2021.

(ii) Liquidity risk

The Group manages and maintains appropriate positions of cash and cash equivalents, as well as the resources of funding which are adequate and cost-effective to ensure that it has sufficient liquidity to meet its operation requirements for at least 12 months in the future.

The followings table shows the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements.

(Continued)

CONTINENTAL HOLDINGS CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	<u>Carrying amount</u>	<u>Contractual cash flows</u>	<u>Within 1 year</u>	<u>1-5 years</u>	<u>More than 5 years</u>
June 30, 2022					
Non-derivative financial liabilities					
Secured loans	\$ 15,710,308	17,566,590	3,155,215	12,702,651	1,708,724
Unsecured loans	4,579,310	4,701,261	2,141,922	2,559,339	-
Short-term notes and bills payable	130,000	130,000	130,000	-	-
Bonds payable	1,997,472	2,044,000	11,000	2,033,000	-
Accounts and notes payable	5,985,370	5,985,370	3,800,465	2,152,116	32,789
Other payables	3,248,307	3,248,307	1,941,328	1,306,979	-
Guarantee deposit received	133,789	133,789	-	54,176	79,613
Long-term accounts payable	340,570	340,570	-	340,570	-
Lease liabilities	110,907	113,212	61,920	47,469	3,823
	<u>\$ 32,236,033</u>	<u>34,263,099</u>	<u>11,241,850</u>	<u>21,196,300</u>	<u>1,824,949</u>
December 31, 2021					
Non-derivative financial liabilities					
Secured loans	\$ 16,288,825	17,568,138	7,874,116	5,943,914	3,750,108
Unsecured loans	5,072,473	5,285,409	563,708	4,721,701	-
Bonds payable	1,997,110	2,055,000	11,000	2,044,000	-
Accounts and notes payable	6,989,726	6,989,726	4,908,388	1,930,855	150,483
Other payables	1,936,715	1,936,715	689,522	1,246,426	767
Guarantee deposit received	142,738	142,738	-	65,616	77,122
Long-term accounts payable	311,400	311,400	-	311,400	-
Lease liabilities	131,095	134,632	74,761	55,092	4,779
	<u>\$ 32,870,082</u>	<u>34,423,758</u>	<u>14,121,495</u>	<u>16,319,004</u>	<u>3,983,259</u>
June 30, 2021					
Non-derivative financial liabilities					
Secured loans	\$ 16,861,744	17,926,438	10,989,083	5,417,140	1,520,215
Unsecured loans	4,818,341	5,005,443	1,152,639	3,852,804	-
Short-term notes and bills payable	500,000	500,000	500,000	-	-
Bonds payable	1,996,749	2,055,000	11,000	2,044,000	-
Accounts and notes payable	5,520,899	5,520,899	3,265,250	2,033,015	222,634
Other payables	2,879,908	2,879,908	1,755,115	1,122,748	2,045
Guarantee deposit received	129,141	129,141	-	68,771	60,370
Long-term accounts payable	313,425	313,425	-	313,425	-
Lease liabilities	151,765	155,939	88,268	67,671	-
	<u>\$ 33,171,972</u>	<u>34,486,193</u>	<u>17,761,355</u>	<u>14,919,574</u>	<u>1,805,264</u>

The Group is not expecting that the cash flows included in the maturity analysis could occur significantly earlier or at significantly different amounts.

(Continued)

CONTINENTAL HOLDINGS CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(iii) Currency risk

1) Exposure to currency risk

The Group's significant exposures to foreign currency risk were those from its foreign currency denominated financial assets and liabilities as follows:

	June 30, 2022			December 31, 2021			June 30, 2021		
	Foreign currency	Exchange rate	NTD	Foreign currency	Exchange rate	NTD	Foreign currency	Exchange rate	NTD
<u>Financial Assets</u>									
<u>Monetary items</u>									
USD : NTD	\$ 74,954	29.7200	2,227,640	87,201	27.6800	2,413,721	84,873	27.8600	2,364,575
HKD : NTD	30,711	3.7880	116,333	32,469	3.5490	115,234	34,265	3.5870	122,909
MYR : NTD	119,817	6.7443	808,080	111,842	6.6415	742,797	111,842	6.7177	751,320
JPY : NTD	78,466	0.2182	17,121	3,666	0.2405	881	3,666	0.2521	924
USD : MYR	2,726	4.4080	81,004	1,125	4.1650	31,151	4,496	4.1520	125,257
<u>Financial Liabilities</u>									
<u>Monetary items</u>									
USD : MYR	22,650	4.4080	673,158	21,950	4.1650	607,576	18,890	4.1520	526,275

2) Sensitivity analysis

The Group's exchange rate risk comes mainly from currency exchange gains and losses on the translation of the foreign cash and cash equivalents, accounts receivable, other receivables, borrowings, accounts payable, other payables, etc. A strengthening (weakening) of 1% of the NTD against foreign currencies for the six months ended June 30, 2022 and 2021 would have increased or decreased the income before tax by \$23,345 thousand and by \$25,999 thousand, and the equity by \$2,425 thousand and \$2,388 thousand due to cash flow hedges, respectively. The analysis assumes that all other variables remain constant and is performed on the same basis for prior year.

3) Foreign exchange gains or losses of monetary items

Since the Group has many kinds of functional currency, the information on foreign exchange gain (loss) on monetary items is disclosed by total amount. For the six months ended June 30, 2022 and 2021, foreign exchange gain(loss) (including realized and unrealized portions) amounted to \$15,077 thousand and \$74,958 thousand, respectively.

(iv) Interest rate analysis

Please refer to the notes on liquidity risk management for Group's interest rate exposure to its financial assets and liabilities.

The following sensitivity analysis is based on the risk exposure in interest rates on the derivative and non-derivative financial instruments on the reporting date.

Regarding liabilities with variable interest rates, the analysis is based on the assumption that the amount of liabilities outstanding at the reporting date was outstanding throughout the year.

(Continued)

CONTINENTAL HOLDINGS CORPORATION AND SUBSIDIARIES
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If the interest rate increases or decreases by 1%, the Group's income before tax will decrease or increase by \$88,092 thousand and \$89,779 thousand for the six months ended June 30, 2022 and 2021, respectively, with all other variable factors remain constant. This is mainly due to the Group's borrowing at variable rates.

(v) Other market price risk

The sensitivity analyses for the changes in the securities price at the reporting date were performed using the same basis for the profit and loss as illustrated below:

Price of securities at the reporting date	For the six months ended June 30			
	2022		2021	
	Other comprehensive Income after tax	Net Income	Other comprehensive Income after tax	Net Income
Increase 1%	\$ 22,088	4,850	23,973	4,850
Decrease 1%	\$ (22,088)	(4,850)	(23,973)	(4,850)

(vi) Fair value of financial instruments

1) Categories and fair value of financial instruments

The carrying amount and fair value of the Group's financial assets and liabilities, including the information on fair value hierarchy were as follows; however, except as described in the following paragraphs, for financial instruments not measured at fair value whose carrying amount is reasonably close to the fair value, and lease liabilities, disclosure of fair value information is not required :

	June 30, 2022				
	Carrying amount	Fair Value			Total
Level 1		Level 2	Level 3		
Financial assets at fair value through profit or loss					
Unlisted common shares	\$ 606,305	-	-	606,305	606,305
Financial assets for hedging	\$ 247,399	247,399	-	-	247,399
Financial assets at fair value through other comprehensive income					
Listed common shares	\$ 1,546,448	1,546,448	-	-	1,546,448
Unlisted common shares	662,343	-	-	662,343	662,343
Subtotal	\$ 2,208,791	1,546,448	-	662,343	2,208,791
Financial assets measured at amortized cost					
Cash and cash equivalents	\$ 5,920,832	-	-	-	-
Notes receivable, accounts receivable and long-term accounts receivable	7,838,424	-	-	-	-
Other receivables	438,416	-	-	-	-
Guarantee deposit paid (including current and non-current)	100,388	-	-	-	-
Other financial assets	2,897,702	-	-	-	-
Other non-current assets	419,182	-	-	-	-
Subtotal	17,614,944	-	-	-	-
Total	\$ 20,677,439	1,793,847	-	1,268,648	3,062,495

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CONTINENTAL HOLDINGS CORPORATION AND SUBSIDIARIES
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	June 30, 2022				
	Carrying amount	Fair Value			Total
		Level 1	Level 2	Level 3	
Financial liabilities measured at amortized cost					
Bank borrowings and notes payable	\$ 20,419,618	-	-	-	-
Bonds payable	1,997,472	-	-	-	-
Accounts and notes payable	5,985,370	-	-	-	-
Other payables	3,248,307	-	-	-	-
Long-term accounts payable	340,570	-	-	-	-
Guarantee deposit received	133,789	-	-	-	-
Lease liabilities (including current and non-current)	110,907	-	-	-	-
Total	\$ 32,236,033	-	-	-	-
	December 31, 2021				
	Carrying amount	Fair Value			Total
		Level 1	Level 2	Level 3	
Financial assets at fair value through profit or loss					
Unlisted common shares	\$ 606,305	-	-	606,305	606,305
Financial assets for hedging	\$ 230,228	230,228	-	-	230,228
Financial assets at fair value through other comprehensive income					
Listed common shares	1,410,525	1,410,525	-	-	1,410,525
Unlisted common shares	662,343	-	-	662,343	662,343
Subtotal	\$ 2,072,868	1,410,525	-	662,343	2,072,868
Financial assets measured at amortized cost					
Cash and cash equivalents	\$ 5,206,556	-	-	-	-
Notes receivable, accounts receivable and long-term accounts receivable	8,922,313	-	-	-	-
Other receivables	502,586	-	-	-	-
Guarantee deposit paid (including current and non-current)	140,922	-	-	-	-
Other financial assets	2,482,906	-	-	-	-
Other non-current assets	188,516	-	-	-	-
Subtotal	17,443,799	-	-	-	-
Total	\$ 20,353,200	1,640,753	-	1,268,648	2,909,401
Financial liabilities for hedging	\$ 64	64	-	-	64

(Continued)

CONTINENTAL HOLDINGS CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	December 31, 2021				
	Carrying amount	Fair Value			Total
		Level 1	Level 2	Level 3	
Financial liabilities measured at amortized cost					
Bank borrowings	\$ 21,361,298	-	-	-	-
Bonds payable	1,997,110	-	-	-	-
Accounts and notes payable	6,989,726	-	-	-	-
Other payables	1,936,715	-	-	-	-
Long-term accounts payable	311,400	-	-	-	-
Guarantee deposit received	142,738	-	-	-	-
Lease liabilities (including current and non-current)	131,095	-	-	-	-
Subtotal	<u>32,870,082</u>	-	-	-	-
Total	<u>\$ 32,870,146</u>	<u>64</u>	<u>-</u>	<u>-</u>	<u>64</u>
	June 30, 2021				
	Carrying amount	Fair Value			Total
		Level 1	Level 2	Level 3	
Financial assets at fair value through profit or loss					
Unlisted common shares	\$ 606,305	-	-	606,305	606,305
Financial assets for hedging	\$ 241,697	241,697	-	-	241,697
Financial assets at fair value through other comprehensive income					
Listed common shares	1,787,519	1,787,519	-	-	1,787,519
Unlisted common shares	609,829	-	-	609,829	609,829
Subtotal	<u>2,397,348</u>	<u>1,787,519</u>	<u>-</u>	<u>609,829</u>	<u>2,397,348</u>
Financial assets measured at amortized cost					
Cash and cash equivalents	\$ 4,845,679	-	-	-	-
Notes receivable, accounts receivable and long-term accounts receivable	9,275,880	-	-	-	-
Other receivables	760,469	-	-	-	-
Guarantee deposit paid (including current and non-current)	102,745	-	-	-	-
Other financial assets	1,844,007	-	-	-	-
Subtotal	<u>16,828,780</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 20,074,130</u>	<u>2,029,216</u>	<u>-</u>	<u>1,216,134</u>	<u>3,245,350</u>
Financial liabilities for hedging	\$ 18	18	-	-	18

(Continued)

CONTINENTAL HOLDINGS CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	June 30, 2021				
	Carrying amount	Fair Value			
		Level 1	Level 2	Level 3	Total
Financial liabilities measured at amortized cost					
Bank borrowings and short-term notes and bills payable	\$ 22,180,085	-	-	-	-
Bonds payable	1,996,749	-	-	-	-
Accounts and notes payable	5,520,899	-	-	-	-
Other payables	2,879,908	-	-	-	-
Long-term accounts payable	313,425	-	-	-	-
Guarantee deposit received	129,141	-	-	-	-
Lease liabilities (including current and non-current)	<u>151,765</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Subtotal	<u>33,171,972</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 33,171,990</u>	<u>18</u>	<u>-</u>	<u>-</u>	<u>18</u>

2) Valuation techniques for financial instruments measured at fair value

A financial instrument is regarded as being quoted in an active market if quoted prices are readily and regularly available from an exchange, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

Measurements of financial instrument with an active market are as follows:

- Listed stock are financial assets which have standard provision and trade in an active market, and their fair value are determined by market quoted price respectively.

Measurements of fair value of financial instruments without an active market are based on a valuation technique. Fair value measured by a valuation technique can be extrapolated from similar financial instruments, the discounted cash flow method, or other valuation technique including a model using observable market data at the reporting date.

Measurements of financial instrument without an active market are as follows:

- Equity instruments without quoted price: The Group extrapolated fair value by present earning value method. The main assumption is cash flow from future earnings based on investors' expectation, and the cash flow is discounted by rate of return which is based on the time value of currency and investment risk.
- Equity instruments without quoted price: The Group extrapolated fair value by market approach. The main assumption is surplus multiplier based on comparable quoted market price. The estimates include adjustments of lack of market liquidity.

3) Transfer between Levels

There were no transfers of levels for the six months ended June 30, 2022 and 2021.

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CONTINENTAL HOLDINGS CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

4) The movement of Level 3

	Financial assets at fair value through profit or loss	Financial assets at fair value through other comprehensive income
	Non-derivative financial assets mandatorily measured at fair value through profit or loss	Equity instruments without quoted market price
Balance at June 30, 2022 (the beginning of the year)	\$ <u>606,305</u>	<u>662,343</u>
Balance at June 30, 2021 (the beginning of the year)	\$ <u>606,305</u>	<u>609,829</u>

5) Quantified information for significant unobservable inputs (Level 3) used in fair value measurement

The Group's financial instruments that use Level 3 inputs to measure fair value include "financial assets at fair value through profit or loss – equity investments" and "financial assets at fair value through other comprehensive income– equity investments".

The fair value measurement was categorized as Level 3 in the hierarchy of equity instruments without active market has several significant unobservable inputs. The significant unobservable inputs of equity instruments without an active market are not related because they are independent from each other.

Item	Valuation Technique	Significant unobservable input	Relationship between input and fair value
Financial assets at fair value through profit or loss-equity investments without an active market	Discounted cash flow method	· Return on equity (June 30, 2022, December 31, 2021 and June 30, 2021 were 8.4014%, 8.4014% and 13.5153%, respectively)	· The higher the return of equity, the lower the fair value.
Financial assets at fair value through other comprehensive income-equity investments without an active market	Market Method	· The multiplier of price-to-earnings ratio (June 30, 2022, December 31, 2021 and June 30, 2021 were 15.80, 15.80 and 15.10, respectively) · Market illiquidity discount (June 30, 2022, December 31, 2021 and June 30, 2021 were 80%.)	· The higher multiplier is, the higher the fair value · The higher market illiquidity discount is, the lower the fair value

(Continued)

CONTINENTAL HOLDINGS CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

<u>Item</u>	<u>Valuation Technique</u>	<u>Significant unobservable input</u>	<u>Relationship between input and fair value</u>
Financial assets at fair value through other comprehensive income-equity investments without an active market	Income Method	<ul style="list-style-type: none"> · The growth rate of earnings per share (June 30, 2022, December 31, 2021 and June 30, 2021 were 0%) · Weighted average cost of capital (June 30, 2022, December 31, 2021 and June 30, 2021 were 5%) 	<ul style="list-style-type: none"> · The higher the growth rate of earnings, per share the higher the fair value · The higher the weighted average cost of capital, the lower the fair value

- 6) Fair value measurements in level 3 - sensitivity analysis of reasonable possible alternative assumptions

The valuation for Level 3 financial instruments is reasonable. However, the result may change if applying different evaluation model or parameter. For fair value measurements in level 3, changing one or more assumptions would have the following effects:

	<u>Input</u>	<u>Change up or down</u>	<u>Profit or loss</u>		<u>Other comprehensive income</u>	
			<u>Favorable change</u>	<u>Unfavorable change</u>	<u>Favorable change</u>	<u>Unfavorable change</u>
June 30, 2022						
Financial assets at fair value through profit or loss						
Equity instruments without an active market	Return on equity	1%	\$ 1,165	(1,160)	-	-
Financial assets at fair value through other comprehensive income						
Equity instruments without an active market	Market liquidity discount	5%	-	-	41,249	(41,249)
Equity instruments without an active market	Weighted average cost of capital	1%	-	-	105	(99)
December 31, 2021						
Financial assets at fair value through profit or loss						
Equity instruments without an active market	Market liquidity discount	1%	-	-	-	-
Financial assets at fair value through other comprehensive income						
Equity instruments without an active market	Market liquidity discount	5%	-	-	41,249	(41,249)
Equity instruments without an active market	Weighted average cost of capital	1%	-	-	105	(99)

(Continued)

CONTINENTAL HOLDINGS CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	Input	Change up or down	Profit or loss		Other comprehensive income	
			Favorable change	Unfavorable change	Favorable change	Unfavorable change
June 30, 2021						
Financial assets at fair value through profit or loss						
Equity instruments without an active market	Return on equity	1%	\$ 2,036	(2,023)	-	-
Financial assets at fair value through other comprehensive income						
Equity instruments without an active market	Market liquidity discount	5%	\$ -	-	37,970	(37,970)
Equity instruments without an active market	Weighted average cost of capital	1%	\$ -	-	102	(97)

The favorable and unfavorable effects represent the changes in fair value, and fair value is based on a variety of unobservable inputs calculated using the valuation technique. The analysis above only reflects the effects of changes in a single input, and it does not include the interrelationships with another input.

(ad) Financial risk management

There were no significant changes in the Group's financial risk management and policies as disclosed in Note 6(ad) of the consolidated financial statements for the year ended December 31, 2021.

(ae) Capital Management

The objectives, policies and processes of capital management of the Group has been applied consistently with those described in the consolidated financial statements for the year ended December 31, 2021. Also, there were no significant changes in the Group's capital management information as disclosed for the year ended December 31, 2021. Please refer to Note 6(ae) for the further details of the consolidated financial statements for the year ended December 31, 2021.

(af) Non-cash investing and financing activities

- (i) Please refer to Note 6(k) for the acquisition right-of-use assets by leasing.
- (ii) Reclassification of prepayments for business facilities to property, plant and equipment.

	For the three months ended June 30		For the six months ended June 30	
	2022	2021	2022	2021
Prepayments for business facilities reclassified to property, plant and equipment	\$ -	93,266	-	95,222

(Continued)

CONTINENTAL HOLDINGS CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(iii) Reconciliation of liabilities arising from financing activities were as follow:

	January 1, 2022	Cash flows	Non-cash changes			June 30, 2022
			Foreign exchange movement	Other	Changes in lease payments	
Short-term borrowings	\$ 9,398,912	82,398	347,755	-	-	9,829,065
Long-term borrowings (including due within one year)	11,962,386	(1,511,436)	9,603	-	-	10,460,553
Lease liabilities	131,095	(53,210)	628	-	32,394	110,907
Bonds payable	1,997,110	-	-	362	-	1,997,472
Total liabilities from financing activities	<u>\$ 23,489,503</u>	<u>(1,482,248)</u>	<u>357,986</u>	<u>362</u>	<u>32,394</u>	<u>22,397,997</u>

	January 1, 2021	Cash flows	Non-cash changes			June 30, 2021
			Foreign exchange movement	Other	Changes in lease payment	
Short-term borrowings	\$ 10,024,080	394,908	(57,027)	-	-	10,361,961
Long-term borrowings (including due within one year)	11,886,454	(549,415)	(18,915)	-	-	11,318,124
Lease liabilities	164,536	(51,086)	(538)	-	38,853	151,765
Bonds payable	-	1,996,388	-	361	-	1,996,749
Total liabilities from financing activities	<u>\$ 22,075,070</u>	<u>1,790,795</u>	<u>(76,480)</u>	<u>361</u>	<u>38,853</u>	<u>23,828,599</u>

(7) Related-party transactions

(a) Parent Group and Ultimate Controlling Party

Montrion Corporation is the parent company of the Group.

(b) Names and relationship with related parties

<u>Name of related party</u>	<u>Relationship with the Group</u>
CTCI-HDEC (Chungli) Corp. (CTCI-HDEC)	Investment for using equity method (Associate)
Fanlu Construction Industry Co., Ltd. (Fanlu)	Investment for using equity method (Associate)
Han-De Construction Co., LTD	Other related party
Wei-Dar Development Co., Ltd.	Other related party
Metropolis Property Management Corporation	Other related party
TSRC Corporation	Other related party
Doisy Trading Co., Ltd.	Other related party (Excluded on January 9, 2022)
WFV Corporation	Other related party
Hao Ran Foundation	Other related party
La Mer Corporation	Other related party
Chang ○○	Other related party (Excluded on January 9, 2022)

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CONTINENTAL HOLDINGS CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

<u>Name of related party</u>	<u>Relationship with the Group</u>
Chung ○○	Other related party (Excluded on January 31, 2022)
Chiang ○	Other related party

(c) Other related party transactions

(i) Contracted construction

<u>For the six months ended June 30, 2022</u>	<u>Total Contract Amount (Before tax)</u>	<u>Current Amount</u>	<u>Accumulated Amount</u>
Associate (CTCI-HDEC)	\$ <u>6,607,731</u>	<u>208,101</u>	<u>341,563</u>
Associate (Fanlu)	\$ <u>1,544,284</u>	<u>134,170</u>	<u>446,670</u>
<u>For the six months ended June 30, 2021</u>			
Associate (CTCI-HDEC)	\$ <u>6,115,200</u>	<u>-</u>	<u>133,462</u>
Associate (Fanlu)	\$ <u>1,544,284</u>	<u>77,797</u>	<u>193,044</u>

According to contracted construction regulations, the construction contract price is determined based on the budget of each construction, plus reasonable administrative handling fees. The amount shall be approved by the management team.

(ii) Other operating revenues

	<u>For the three months ended June 30</u>		<u>For the six months ended June 30</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Associates	\$ 3,300	16,500	3,300	16,500
Other related parties	<u>1,230</u>	<u>900</u>	<u>2,670</u>	<u>1,800</u>
	<u>\$ 4,530</u>	<u>17,400</u>	<u>5,970</u>	<u>18,300</u>

The Group provides engineering and project management consulting services to the related parties. The terms and pricing of transactions are not significantly difference from general transactions.

(iii) Purchases

	<u>For the three months ended June 30</u>		<u>For the six months ended June 30</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Other related parties	\$ <u>1,010</u>	<u>3,017</u>	<u>2,046</u>	<u>5,772</u>

The price and the payment term concluded with related parties are not significantly different to the price and payment term concluded with external third parties.

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CONTINENTAL HOLDINGS CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(iv) Contract Assets

	June 30, 2022	December 31, 2021	June 30, 2021
Associates	<u>\$ 22,460</u>	<u>15,675</u>	<u>-</u>

(v) Receivables from related parties

	June 30, 2022	December 31, 2021	June 30, 2021
Accounts receivable-Other related parties	\$ 210	3	1,464
Accounts receivable-Associates	-	-	4,049
Other receivables-Other related parties	-	1,342	-
Other receivables-Associates	-	584	-
	<u>\$ 210</u>	<u>1,929</u>	<u>5,513</u>

(vi) Payables to related parties

	June 30, 2022	December 31, 2021	June 30, 2021
Accounts payable-Other related parties	\$ 337	337	337
Other payables-Other related parties	4,276	1,441	1,191
	<u>\$ 4,613</u>	<u>1,778</u>	<u>1,528</u>

(vii) Rental

1) Rental revenues

	For the three months ended June 30		For the six months ended June 30	
	2022	2021	2022	2021
Other related parties	<u>\$ 768</u>	<u>654</u>	<u>1,398</u>	<u>1,305</u>

The rental is in reference to the nearby rental market value for parking spaces, and is paid on a monthly basis.

2) Rental costs

The Group leased an office building and a warehouse from other related parties. For the three months and six months ended June 30, 2022 and 2021, the Group recognized the amount of \$8 thousand, \$23 thousand, \$20 thousand and \$51 thousand as interest expenses, respectively. As of June 30, 2022, December 31, 2021 and June 30, 2021, the balance of lease liabilities amounted to \$1,586 thousand, \$3,835 thousand and \$6,065 thousand, respectively.

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CONTINENTAL HOLDINGS CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(viii) Transaction of properties

In January and June, 2022, the Group sold its transportation equipments to other related parties for \$4,238 thousand(excluding tax), and recognized the losses of disposal for \$784 thousand. All the payments had been received.

(ix) Endorsements and Guarantees

	<u>Guarantee classification</u>	<u>June 30, 2022</u>	<u>December 31, 2021</u>	<u>June 30, 2021</u>
Associate (CTCI-HDEC)	Guarantee for bank loans	\$ 343,000	343,000	343,000
Associate (Fanlu)	Guarantee for bank loans	<u>1,557,000</u>	<u>1,557,000</u>	<u>1,557,000</u>
		<u>\$ 1,900,000</u>	<u>1,900,000</u>	<u>1,900,000</u>

(x) Other

1) Interest revenues

	<u>For the three months ended June 30</u>		<u>For the six months ended June 30</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Associates	\$ -	1,154	\$ 571	1,154
Other related parties	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>
	<u>\$ 2</u>	<u>1,157</u>	<u>575</u>	<u>1,159</u>

2) Other expenses

	<u>For the three months ended June 30</u>		<u>For the six months ended June 30</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Other related parties	<u>\$ 8,421</u>	<u>6,861</u>	<u>15,536</u>	<u>13,495</u>

3) Other income

	<u>For the three months ended June 30</u>		<u>For the six months ended June 30</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Associates	\$ 2,328	1,835	\$ 3,880	1,835
Other related parties	<u>19</u>	<u>4</u>	<u>40</u>	<u>8</u>
	<u>\$ 2,347</u>	<u>1,839</u>	<u>3,920</u>	<u>1,843</u>

4) On January 5, 2021, the Group purchased 49,000,000 shares of CTCI-HDEC amounted to \$490,000 thousand.

5) On April 20, 2021, the Group purchased 17,500,000 shares of Fanlu amounted to \$175,000 thousand.

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CONTINENTAL HOLDINGS CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(d) Key Management Personnel Transaction

	For the three months ended June 30		For the six months ended June 30	
	2022	2021	2022	2021
Short-term employee benefits	\$ 30,033	32,641	89,881	86,516

As of June 30, 2022 and 2021,, the Group provides eleven and thirteen vehicles for key management personnel at a cost of \$15,677 thousand and \$16,757 thousand, respectively.

(8) Pledged assets

The carrying values of pledged assets are as follows:

Asset	Purpose of pledge	June 30, 2022	December 31, 2021	June 30, 2021
Inventories (development corp.)	Loan collateral	\$ 17,566,954	20,247,154	22,244,462
Restricted deposits (other current assets)	Time deposits collateral	283,879	290,317	290,152
Property, plant and equipment	Loan collateral and construction guarantee	2,916,115	2,899,951	1,072,117
Investment properties, net	Loan collateral and construction guarantee	8,121,524	8,135,580	9,881,851
Intangible assets	Loan collateral	-	-	854,166
Long-term accounts receivable	Loan collateral	-	-	3,494,341
Total		\$ 28,888,472	31,573,002	37,837,089

(9) Significant commitments and contingencies

(a) Major commitments were as follows:

(i) The Group's details of sales of completed construction and real estate were listed below:

	June 30, 2022	December 31, 2021	June 30, 2021
Total sales of completed construction and real estate	\$ 13,562,838	17,617,431	16,698,955
Receipts based on the contracts	\$ 2,490,052	4,061,925	3,809,871

(ii) As of June 30, 2022, December 31, 2021 and June 30, 2021, the Group purchased land in the contract amounts of \$3,596,390 thousand, \$959,177 thousand and \$78,870 thousand, within which, \$1,219,603 thousand, \$95,918 thousand and \$77,436 thousand has been paid.

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CONTINENTAL HOLDINGS CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

- (iii) Total price of the construction contracts entered into by the Group and the total collected/billed amounts according to the contract are listed below:

	June 30, 2022	December 31, 2021	June 30, 2021
Total contract amount—NTD	160,242,720	157,199,612	139,244,582
—INR	34,943,780	35,161,269	34,983,959
—HKD	4,613,534	4,549,552	4,487,499
—MOP	1,377,470	982,544	982,544
—MYR	-	394,926	394,926
Accumulated billing amount	132,120,379	119,597,504	120,080,976

- (iv) As of June 30, 2022, December 31, 2021 and June 30, 2021, the Group provided the guarantees for contract performance and construction warranties to other construction companies, including jointly liable contracts amounted to \$9,358,000 thousand.

- (v) Service Concession agreements

The Group has entered into a service concession plan on sewage treatment with the government in the form of either a BOT project (Build–operate–transfer) or a wastewater reclamation and reuse BTO project (Build–transfer–operate). The primary terms of the contracts are summarized as follows:

- 1) During the project concession period, in accordance with the government’s appointed service form, the Group (i) provides construction, operation and maintenance to the facilities for sewage treatment, and (ii) acquires the construction and operation right of the wastewater reclamation and reuse facilities as well as the sewage treatment facilities.
- 2) The Group has the right to use the aforesaid facilities and land to provide related sewage treatment services during the concession period, and obtains interest based on the price in the construction contract and price index.
- 3) The government will control and supervise the Group’s service scope leveraged from the use of the facilities.
- 4) When there is significant violation to the clause in the service concession agreement, both the Group and the government will be able to terminate the agreement.
- 5) During the concession period, the Group is the nominal registrant entitled to the ownership of the land and sewage treatment facilities. After the concession period, in accordance with the construction and operation agreement, the plants and facilities shall be restored back to their normal operating conditions and reverted to the government without conditions.
- 6) Three years before the expiration date, the Group is entitled to submit an application for extending the contract; if the Group’s operating performance is qualified to apply for a renewal of contract, it is given a preferential right to submit the renewal application to the authority.

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CONTINENTAL HOLDINGS CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

7) The Group's construction and operation contracts with the government were as follows:

The subsidiary as an operator	Location	Grantor	Agreement type	Concession period
NSC	Danshui area	New Taipei City	BOT of sewage system	May 2005~ May 2040
PDC	Pu Ding area	Taoyuan City	BOT of sewage system	35 years (after land delivery)
BWC	Kaohsiung area	Kaohsiung City	BTO of wastewater reclamation and reuse	August 2016~August 2033
LHC	Kaohsiung area	Kaohsiung City	BTO of wastewater reclamation and reuse	October 2018~December 2036

(vi) The Group's outstanding stand by letter of credit are as follows:

	June 30, 2022	December 31, 2021	June 30, 2021
Outstanding stand by letter of credit	<u>\$ 13,754</u>	<u>227,209</u>	<u>9,847</u>

(vii) The Group engaged Sydell Hotels LLC ("Sydell"), a third party professional hotel management company, for providing architects, consultants, and engineers in the planning, design, and equipping of its hotel, as well as pre-opening services necessary for the opening the hotel, at the total contract price of USD1,177 thousand. As of June 30, 2022, the remaining amount of USD468 thousand had yet to be.

(b) Contingent liability:

(i) As of June 30, 2022, December 31, 2021 and June 30, 2021, the Group provided promissory notes for contract performance, issuance of commercial paper, and construction warranty, amounted to \$48,752,933 thousand, \$46,993,134 thousand and \$46,265,269 thousand, respectively.

(ii) As of June 30, 2022, December 31, 2021 and June 30, 2021, promissory notes receivable for construction contracts amounted to \$13,361,582 thousand, \$12,734,765 thousand and \$11,942,206 thousand, respectively.

(c) Other

In April 2005, the Group filed a lawsuit against Kao Nan Region Construction Office for the East West Expressway (Kao Nan), demanding for the compensation fee of \$444,579 thousand for the dispute concerning the extension of the construction of the highway between Wujia and Shangliao. During the 2nd verdict in February 2014, Taiwan High Court Kaohsiung Branch decided that Kao Nan should pay the amount of \$243,206 thousand to the Group (including interest). However, the Group disagreed with the Court's decision and appealed to the Supreme Court regarding the matter. On the other hand, Kao Nan also appealed to the Supreme Court stating that the compensation amount decided by the High Court was unreasonable. In June 2014, the Supreme Court overturned the decision made by the High Court during the 2nd verdict and handed over this case back to the High Court for another decision. In September 2018, Taiwan High Court Kaohsiung Branch decided that Kao Nan should pay the amount of \$318,498 thousand to the Group (excluding interest). Both the Group and Kao Nan Region Construction Office appeal against the decision. In March 19,2020, the Supreme Court decided the Group won partially in this case and the Kao Nan Construction Office should pay the amount of \$91,411 thousand (excluding interest) to the Group, who had

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CONTINENTAL HOLDINGS CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

received the amounts of \$86,667 thousand and \$5,909 thousand (both including interest) in May and July of 2020, respectively. The remaining amount of \$238,295 thousand (excluding interest) has been handed back to the High Court for reconsideration. The case is still in progress as of the reporting date.

(10) Losses due to major disasters: None

(11) Subsequent events: None

(12) Other

(a) Personnel expenses, depreciation, depletion and amortization are summarized as follows:

	For the three months ended June 30,2022			For the three months ended June 30,2021		
	Operating costs	Operating expenses	Total	Operating costs	Operating expenses	Total
Employee benefits						
Salary	306,279	162,243	468,522	274,877	159,287	434,164
Labor and health	24,193	11,105	35,298	24,280	12,256	36,536
Pension	11,492	6,895	18,387	9,685	7,018	16,703
Others	32,405	29,746	62,151	32,618	30,229	62,847
Depreciation	74,975	21,923	96,898	53,045	16,607	69,652
Amortization	16,393	-	16,393	15,904	-	15,904

	For the six months ended June 30,2022			For the six months ended June 30,2021		
	Operating costs	Operating expenses	Total	Operating costs	Operating expenses	Total
Employee benefits						
Salary	588,855	321,844	910,699	523,279	315,438	838,717
Labor and health	50,656	25,183	75,839	46,387	24,190	70,577
Pension	22,383	14,358	36,741	19,212	14,016	33,228
Others	67,920	68,238	136,158	64,373	60,495	124,868
Depreciation	184,283	46,283	230,566	107,484	33,203	140,687
Amortization	32,787	-	32,787	31,809	-	31,809

(b) Seasonal operation :

The Group's operation do not affect by seasonal or periodicity reason.

(Continued)

(English Translation of Financial Report Originally Issued in Chinese)

CONTINENTAL HOLDINGS CORPORATION
Notes to Consolidated Financial Statements

(13) Other disclosures

(a) Information on significant transactions

The following information on significant transactions are disclosed in accordance with the *Regulations Governing the Preparation of Financial Reports by Securities Issuers*:

(i) Loans provided to other parties:

(In Thousands of New Taiwan Dollars)

Number	Name of lender	Name of borrower	Account name	Related party	Highest balance of financing to other parties during the period	Ending balance	Actual usage amount during the period	Range of interest rates during the period	Purposes of fund financing for the borrower (Note 3)	Transaction amount for businesses between two parties	Reasons for short-term financing	Allowance for bad debt	Collateral		Maximum amount of loans provided to a single enterprise (Note 1)	Maximum amount of loans (Note 1)
													Item	Value		
0	CHC	HDEC	Other receivables	Yes	500,000	500,000	500,000 (Note 2)	1.3%	2	-	Replenish working capital	-	-	-	5,142,567	10,285,134
0	CHC	HDEC	Other receivables	Yes	500,000	500,000	500,000 (Note 2)	1.3%	2	-	Replenish working capital	-	-	-	5,142,567	10,285,134
1	CDC	BANGSAR	Other receivables	Yes	202,313	200,306	167,933 (Note 2)	6.40%	2	-	Land purchases and operation requirements	-	-	-	6,816,643	6,816,643
1	CDC	MEGA	Other receivables	Yes	810,236	802,195	640,115 (Note 2)	6.40%	2	-	Land purchases and operation requirements	-	-	-	6,816,643	6,816,643
1	CDC	Grand River D. Limited	Other receivables	No	688,953	581,595	497,044	1.90%	2	-	Land purchases and operation requirements	-	-	-	6,816,643	6,816,643

Note 1: The total amount of loans provided to others is limited to 40% of net equity value. The amount of loans to a single business enterprise is limited to 20% of net equity value. Relevant calculation are as follows:

CHC:

Maximum amount of loans is limited to 40% of net equity value: \$25,712,834 thousand \times 40% = 10,285,134 thousand

Maximum amount of loans provided to a single business enterprise is limited to 20% of net equity value: \$25,712,834 thousand \times 20% = 5,142,567 thousand

The total amount of loans provided to others is limited to 40% of net equity value. The amount of loans to a single business enterprise is limited to 40% of net equity value. Relevant calculation are as follows:

CDC:

Maximum amount of loans is limited to 40% of net equity value: \$17,041,607 thousand \times 40% = 6,816,643 thousand

Maximum amount of loans provided to a single business enterprise is limited to 40% of net equity value: \$17,041,607 thousand \times 40% = 6,816,643 thousand

Note 2: The above transactions were eliminated when preparing the consolidated financial statements.

Note 3: Financing purposes:

- 1) Business dealings: 1
- 2) Short-term financing needs: 2

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(ii) Guarantees and endorsements for other parties:

(In Thousands of New Taiwan Dollars)

No.	Name of guarantor	Counter-party of guarantee and endorsement		Maximum amount of guarantees and endorsements for a specific enterprise	Highest balance of guarantees and endorsements during the period	Balance of guarantees and endorsements as of reporting date	Actual usage amount during the period	Property pledged for guarantees and endorsements (Amount)	Ratio of accumulated amounts of guarantees and endorsements over net worth in the latest financial statements	Maximum amount of guarantees and endorsements	Parent company's endorsements/guarantees to third parties on behalf of subsidiary	Subsidiary's endorsements/guarantees to third parties on behalf of parent company	Endorsements/guarantees to third parties on behalf of companies in Mainland China
		Name	Relationship with the Company										
0	CHC	CICI	2	102,851,336	482,529	470,651	470,651	-	1.83 %	102,851,336	Y	N	N
0	CHC	HDEC	2	102,851,336	2,747,269	2,647,269	1,222,540	-	10.30 %	102,851,336	Y	N	N
0	CHC	CEC	2	102,851,336	18,435,382	17,293,092	8,055,050	-	67.25 %	102,851,336	Y	N	N
1	CEC	CIC	2	10,634,606	44,213	-	-	-	- %	10,634,606	N	N	N
1	CEC	CICI	2 and 5	15,951,909	3,845,922	3,751,244	3,751,244	-	70.55 %	31,903,818	N	N	N
1	CEC	CDC	4 and 7	10,634,606	1,071,000	1,071,000	927,100	-	20.14 %	10,634,606	N	N	N
1	CEC	Fu Tsu Construction Co., Ltd.	5	15,951,909	9,358,000	9,358,000	9,358,000	-	175.99 %	31,903,818	N	N	N
2	CDC	CDC US.	2	34,083,214	148,600	148,600	143,310	-	0.87 %	34,083,214	N	N	N
2	CDC	CCD	2	34,083,214	1,415,000	1,415,000	1,170,000	-	8.30 %	34,083,214	N	N	N
2	CDC	BANGSAR	2 and 6	34,083,214	171,660	169,956	-	-	1.00 %	34,083,214	N	N	N
2	CDC	MEGA	2 and 6	34,083,214	441,342	441,342	370,237	-	2.59 %	34,083,214	N	N	N
2	CDC	950P	2 and 6	34,083,214	5,304,658	1,896,655	1,614,180	-	11.13 %	34,083,214	N	N	N
2	CDC	950 Hotel Property LLC & 950 Retail Property LLC	2 and 6	34,083,214	1,591,262	1,591,262	1,303,067	-	9.34 %	34,083,214	N	N	N
2	CDC	Fanlu	6	34,083,214	1,557,000	1,557,000	771,750	-	9.14 %	34,083,214	N	N	N
3	CCD	CDC	3	13,572,668	982,200	982,200	798,500	982,200	28.95 %	13,572,668	N	N	N
4	HDEC	PDC	2	29,889,928	1,295,000	1,295,000	284,000	-	34.66 %	29,889,928	N	N	N
4	HDEC	NSC	2	29,889,928	2,520,000	2,520,000	2,100,000	-	67.45 %	29,889,928	N	N	N
4	HDEC	LHC	2	29,889,928	5,071	-	-	-	- %	29,889,928	N	N	N
4	HDEC	LHC	2 and 6	29,889,928	1,485,000	1,485,000	841,500	-	39.75 %	29,889,928	N	N	N
4	HDEC	BWC	2 and 6	29,889,928	902,700	902,700	353,940	-	24.16 %	29,889,928	N	N	N
4	HDEC	CTCI-HDEC	6	29,889,928	343,000	343,000	343,000	-	9.18 %	29,889,928	N	N	N
4	HDEC	CEC	4 and 5	29,889,928	3,995,629	3,995,629	3,995,629	-	106.94 %	29,889,928	N	N	N

Note 1: According to the policy of CHC, the total amount of endorsements/guarantees is limited to four times the net equity value in accordance with the Company's most recent financial statements: \$25,712,834 thousand \times 4 = \$102,851,336 thousand

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The total amount of endorsements/guarantees provided to a single business is limited to four times the net equity value in accordance with the Company's most recent financial statements: $\$25,712,834 \text{ thousand} \times 4 = \$102,851,336 \text{ thousand}$

According to the policy of CEC, the total amount of endorsements/guarantees is limited to six times the net equity value in accordance with the Company's most recent financial statements in the event of joint liability in joint ventures with other companies in the same industry: $\$5,317,303 \text{ thousand} \times 6 = \$31,903,818 \text{ thousand}$

The total amount of endorsements/guarantees provided to a single business is limited to three times the net equity value in accordance with the Company's most recent financial statements: $\$5,317,303 \text{ thousand} \times 3 = \$15,951,909 \text{ thousand}$

According to the policy of CEC, the total amount of endorsements/guarantees is limited to two times the net equity value in accordance with the Company's most recent financial statements except in the event of joint liability in joint ventures with other companies in the same industry: $\$5,317,303 \text{ thousand} \times 2 = \$10,634,606 \text{ thousand}$

The total amount of endorsements/guarantees provided to a single business is limited to two times the net equity value in accordance with the Company's most recent financial statements: $\$5,317,303 \text{ thousand} \times 2 = \$10,634,606 \text{ thousand}$

According to the policy of CDC, the total amount of endorsements/guarantees is limited to two times the net equity value in accordance with the Company's most recent financial statements: $\$17,041,607 \text{ thousand} \times 2 = \$34,083,214 \text{ thousand}$

The total amount of endorsements/guarantees provided to a single business is limited to two times the net equity value in accordance with the Company's most recent financial statements: $\$17,041,607 \text{ thousand} \times 2 = \$34,083,214 \text{ thousand}$

According to the policy of CCD the total amount of endorsements/guarantees is limited to four times the net equity value in accordance with the Company's most recent financial statements: $\$3,393,167 \text{ thousand} \times 4 = \$13,572,668 \text{ thousand}$

The total amount of endorsements/guarantees provided to a single business is limited to four times the net equity value in accordance with the Company's most recent financial statements: $\$3,393,167 \text{ thousand} \times 4 = \$13,572,668 \text{ thousand}$

According to the policy of HDEC, the total amount of endorsements/guarantees is limited to eight times the net equity value in accordance with the Company's most recent financial statements: $\$3,736,241 \text{ thousand} \times 8 = \$29,889,928 \text{ thousand}$

The total amount of endorsements/guarantees provided to a single business is limited to eight times the net equity value in accordance with the Company's most recent financial statements: $\$3,736,241 \text{ thousand} \times 8 = \$29,889,928 \text{ thousand}$

Note 2: Seven categories between relationship with the endorser/guarantor:

- 1) Having business relationship.
- 2) The endorser / guarantor parent company directly and indirectly holds more than 50% of voting shares of the endorsed / guaranteed subsidiary.
- 3) The endorser / guarantor subsidiary which directly and indirectly be held more than 50% voting shares by the endorsed / guaranteed parent company.
- 4) The endorser / guarantor company and the endorsed / guaranteed party both be held more than 90% by the parent company.
- 5) Company that is mutually protected under contractual requirements based on the needs of the contractor.
- 6) Company that is endorsed by its shareholders in accordance with its shareholding ratio because of the joint investment relationship.
- 7) Performance guarantees for presale contracts under the Consumer Protection Act.

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(iii) Securities held as of June 30, 2022 (excluding investment in subsidiaries, associates and joint ventures):

(In Thousands of New Taiwan Dollars)

Name of holder	Category and name of security	Relationship with company	Account name	Ending balance				Note
				Shares/Units (thousands)	Carrying value	Percentage of ownership (%)	Fair value	
CEC	Evergreen Steel Corp.	-	Non-current financial assets at fair value through other comprehensive income	25,645,907	1,546,448	6.11 %	1,546,448	
CEC	Xinrong Enterprise	-	Non-current financial assets at fair value through other comprehensive income	12,256,347	659,980	8.45 %	659,980	
CEC	Metro Consulting Service Ltd.	-	Non-current financial assets at fair value through other comprehensive income	300,000	2,363	6.00 %	2,363	
CEC	International Property & Finance Co., Ltd.	-	Non-current financial assets at fair value through other comprehensive income	26,301	-	1.64 %	-	
CEC	Shin Yu Energy Development Co., Ltd.	-	Non-current financial assets at fair value through other comprehensive income	22,405,297	-	9.00 %	-	
CDC	Grand River D. Limited	-	Non-current financial assets at fair value through profit or loss	51,436,803	606,305	10.00 %	606,305	

(iv) Individual securities acquired or disposed of with accumulated amount exceeding the lower of NT\$300 million or 20% of the capital stock:None

(v) Acquisition of individual real estate with amount exceeding the lower of NT\$300 million or 20% of the capital stock:

(In Thousands of New Taiwan Dollars)

Name of company	Name of property	Transaction date	Transaction amount	Status of payment	Counter-party	Relationship with the Company	If the counter-party is a related party, disclose the previous transfer information				References for determining price	Purpose of acquisition and current condition	Others
							Owner	Relationship with the Company	Date of transfer	Amount			
CDC	Land	2022.01.06	1,091,441	1,091,441	Natural person	Not related party	-	-	-	-	Evaluation report	Real estate development	-
CDC	Land	2022.01.21	542,322	515,206	Natural person	Not related party	-	-	-	-	Evaluation report	Real estate development	-
CDC	Land	2022.05.27	1,404,374	140,437	Natural person	Non related party	-	-	-	-	Evaluation report	Real estate development	-
CDC	Land	2022.06.17	690,517	276,207	Natural person	Non related party	-	-	-	-	Evaluation report	Real estate development	-

(vi) Disposal of individual real estate with amount exceeding the lower of NT\$300 million or 20% of the capital stock:

(In Thousands of New Taiwan Dollars)

Name of company	Type of property	Transaction date	Acquisition date	Book value	Transaction amount	Amount actually receivable	Gain from disposal	Counter-party	Nature of relationship	Purpose of disposal	Price reference	Other terms
CDC	55 Timeless-Inventory	2022.04.21	Not applicable	Inventory held-for-sale, not applicable	336,012	169,290	Inventory held-for-sale, not applicable	Xin qiu corporation	Not related party	Profit	Evaluation report	-

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(vii) Related-party transactions for purchases and sales with amounts exceeding the lower of NT\$100 million or 20% of the capital stock:

(In Thousands of New Taiwan Dollars)

Name of company	Related party	Relationship	Transaction details				Transactions with terms different from others		Notes/Accounts receivable (payable)		Note
			Purchase/Sale	Amount	Percentage of total purchases/sales	Payment terms	Unit price	Payment terms	Ending balance	Percentage of total notes/accounts receivable (payable)	
CEC	CDC	Related party of the Company	Construction contract	(653,016) (Note 3)	7.24%	Same as those in general transactions	-	-	440,085 (Note 3)	9.29%	Note 1
CDC	CEC	Related party of the Company	Construction project	653,016 (Note 3)	79.23%	Same as those in general transactions	-	-	(440,085) (Note 3)	31.49%	
CEC	Fanlu	Related party of the Company	Construction contract	(149,652)	1.66%	Same as those in general transactions	-	-	22,460	0.47%	Note 1
Fanlu	CEC	Related party of the Company	Construction project	149,652	52.20%	Same as those in general transactions	-	-	(22,460)	86.79%	
HDEC	PDC	Parent and subsidiary	Construction contract	(131,662) (Note 3)	7.46%	Same as those in general transactions	-	-	56,335 (Note 3)	14.75%	Note 1
PDC	HDEC	Parent and subsidiary	Construction project	131,662 (Note 3)	99.41%	Same as those in general transactions	-	-	(56,335) (Note 3)	98.74%	

Note 1: The Company recognized its construction contract income using the percentage-of-completion method.

Note 2: Aforesaid notes and accounts receivable are including contract assets.

Note 3: The above transactions were eliminated when preparing the consolidated financial statements.

(viii) Receivables from related parties with amounts exceeding the lower of NT\$100 million or 20% of the capital stock:

(In Thousands of New Taiwan Dollars)

Name of company	Counter-party	Relationship	Ending balance	Turnover rate	Overdue		Amounts received in subsequent period	Allowance for bad debts
					Amount	Action taken		
CEC	CDC	Related party of the Company	Accounts receivable 440,085	2.71	-	-	15,067	-
HDEC	LHC	Parent and subsidiary	Accounts receivable 100,612	1.42	-	-	-	-

Note 1: Aforesaid notes and accounts receivable are including contract assets.

Note 2: The above transactions were eliminated when compiling the consolidated financial statements.

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(ix) Derivatives transactions:

As of June 30, 2022, the Group's hedging instruments in amounts of USD8,137 thousand, JPY3,218 thousand and EUR157 thousand.

(x) Business relationships and significant intercompany transactions:

(In Thousands of New Taiwan Dollars)

No.	Name of company	Name of counter-party	Relationship	Intercompany transactions			
				Account name	Amount	Trading terms	Percentage of the consolidated net revenue or total assets
0	CHC	HDEC	1	Non-current other assets-other	1,000,000	Same as those in normal transactions	1.43%
1	CEC	CDC	3	Construction revenues	653,016	Same as those in normal transactions	3.58%
		CDC	3	Accounts receivable	105,553	Same as those in normal transactions	0.15%
		CDC	3	Contract assets	334,532	Same as those in normal transactions	0.48%
2	CDC	CEC	3	Construction costs	653,016	Same as those in normal transactions	3.58%
		CEC	3	Accounts payable	440,085	Same as those in normal transactions	0.63%
		MEGA	3	Other receivables	813,309	Same as those in normal transactions	1.16%
		BANGSAR	3	Other receivables	201,983	Same as those in normal transactions	0.29%
3	HDEC	CHC	2	Non-current other liabilities-other	1,000,000	Same as those in normal transactions	1.43%
		NSC	3	Operating revenues	92,771	Same as those in normal transactions	0.51%
		NSC	3	Accounts receivable	24,497	Same as those in normal transactions	0.04%
		NSC	3	Contract assets	10,963	Same as those in normal transactions	0.02%
		SDC	3	Operating costs	61,545	Same as those in normal transactions	0.34%
		SDC	3	Accounts payable	51,119	Same as those in normal transactions	0.07%
		LHC	3	Operating revenues	75,172	Same as those in normal transactions	0.41%
		LHC	3	Contract assets	100,612	Same as those in normal transactions	0.14%
		PDC	3	Operating revenues	131,662	Same as those in normal transactions	0.72%
		PDC	3	Accounts receivable	35,454	Same as those in normal transactions	0.05%
		PDC	3	Contract assets	20,881	Same as those in normal transactions	0.03%
4	NSC	HDEC	3	Operating costs	92,771	Same as those in normal transactions	0.51%
		HDEC	3	Accounts payable	35,460	Same as those in normal transactions	0.06%
5	SDC	HDEC	3	Operating revenues	61,545	Same as those in normal transactions	0.34%
		HDEC	3	Accounts receivable	38,497	Same as those in normal transactions	0.05%
		HDEC	3	Contract assets	12,622	Same as those in normal transactions	0.02%
6	LHC	HDEC	3	Operating costs	75,172	Same as those in normal transactions	0.41%
		HDEC	3	Accounts payable	100,612	Same as those in normal transactions	0.14%
7	PDC	HDEC	3	Operating costs	131,662	Same as those in normal transactions	0.72%
		HDEC	3	Accounts payable	56,335	Same as those in normal transactions	0.08%
8	MEGA	CDC	3	Other payables	813,309	Same as those in normal transactions	1.16%
9	BANGSAR	CDC	3	Other payables	201,983	Same as those in normal transactions	0.29%

Note 1: For transactions between the Company and its subsidiaries, numbers are assigned as follows:

- 1) 0 represents the Company.

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2) 1~9 represent subsidiaries

Note 2: Relationships are as follows:

- 1) 1. the Company to subsidiary.
- 2) 2. subsidiary to the Company.
- 3) 3. subsidiary to other subsidiary.

(b) Information on investees:

(In Thousands of New Taiwan Dollars)

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Balance as of June 30, 2022			Net income (losses) of investee	Share of profits/losses of investee	Note
				June 30, 2022	December 31, 2021	Shares (thousands)	Percentage of ownership	Carrying value			
CHC	CEC	Taiwan	Comprehensive construction	6,884,583	6,884,583	440,061,971	99.99 % (Note 2)	5,228,655	254,154	221,874	Note 1
CHC	CDC	Taiwan	Housing and building development and lease	6,220,745	6,220,745	591,948,387	99.99 % (Note 2)	17,041,604	1,828,824	1,828,824	Note 1
CHC	HDEC	Taiwan	Construction of underground pipeline	2,360,365	2,360,365	271,999,882	99.99 % (Note 3)	3,984,173	247,934	247,934	-
CHC	CCLC	Taiwan	Management consulting	10,000	10,000	-	100.00 %	9,408	(592)	(592)	-
CEC	CICI	India	Construction projects	497,839	497,839	73,981,492	100.00 %	(1,728)	1,453	Disclosure not required	-
CEC	CIC	British Virgin Islands	Investment and holding	2,035,897	2,035,897	63,980,940	100.00 %	5,325	(7,547)	"	-
CEC	CIMY	Malaysia	Construction projects	179,257	179,257	22,340,476	85.14 %	6,215	144	"	-
CEC	CEC HK	Hong Kong	Construction projects	10,815	10,815	3,000,000	100.00 %	907	(22)	"	-
CIC	NCC	British Virgin Islands	Investment and holding	1,640,006	1,640,006	10,353	45.47 %	-	(272)	"	-
CDC	BANGSAR	Malaysia	Real estate development	4,444	4,444	600,000	60.00 %	2	(4,053)	"	-
CDC	CCD	Taiwan	Housing and building development and lease	976,539	976,539	47,114,655	80.65 %	2,742,862	7,777	"	-
CDC	Fanlu	Taiwan	Housing and building development and lease	741,646	741,646	74,164,562	35.00 %	642,437	(29,069)	"	-
CDC	MEGA	Malaysia	Real estate development	7,375	7,375	825,000	55.00 %	(75,039)	(107,780)	"	-
CDC	CDC US.	The U.S.	Investment	2,075,837	2,075,837	5,500,000	100.00 %	1,896,676	(54,434)	"	-
CDC	CDCAM	Malaysia	Management consulting	7,524	7,524	1,000,000	100.00 %	8,036	363	"	-
HDEC	SDC	Taiwan	Construction projects	49,600	49,600	3,000,000	100.00 %	37,278	778	"	-
HDEC	NSC	Taiwan	Pollution protection and other environmental sanitation	1,112,000	1,112,000	166,000,000	100.00 %	2,733,450	93,278	"	-
HDEC	BWC	Taiwan	Pollution protection and other environmental sanitation	362,100	362,100	37,740,000	51.00 %	413,024	25,900	"	-
HDEC	PDC	Taiwan	Pollution protection and other environmental sanitation	340,000	340,000	36,489,000	100.00 %	384,666	17,008	"	-
HDEC	CTCI - HDEC	Taiwan	Pollution protection and other environmental sanitation	735,000	735,000	73,500,000	49.00 %	775,723	29,400	"	-
HDEC	LHC	Taiwan	Pollution protection and other environmental sanitation	550,000	550,000	56,100,000	55.00 %	658,958	75,209	"	-

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Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Balance as of June 30, 2022			Net income (losses) of investee	Share of profits/losses of investee	Note
				June 30, 2022	December 31, 2021	Shares (thousands)	Percentage of ownership	Carrying value			
CCLC	CEC	Taiwan	Comprehensive construction	1	1	100	-	1	254,154	Disclosure not required	-
CCLC	CDC	Taiwan	Housing and building development and lease	3	3	100	-	3	1,828,824	"	-
CCLC	HDEC	Taiwan	Construction of underground pipeline	1	1	118	-	2	247,934	"	-

Note 1: The information on investment income/loss was derived from the investees' financial statements audited by the auditors for the same period.

Note 2: The shareholding ratio is 99.99998% at the end of the period.

Note 3: The shareholding ratio is 99.99996% at the end of the period.

Note 4: The shareholding ratio is 0.00002% at the end of the period.

Note 5: The shareholding ratio is 0.00004% at the end of the period.

(c) Information on investment in Mainland China: None

(d) Major shareholders:

Shareholder's Name	Shareholding	Shares	Percentage
Wei-Dar Development Co., Ltd.		206,025,200	25.02 %
Tamerton Group Limited		85,672,300	10.40 %
Han-De Construction Co., Ltd.		63,755,667	7.74 %

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CONTINENTAL HOLDINGS CORPORATION AND SUBSIDIARIES
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(14) Segment information

For the three months ended June 30, 2022						
	<u>Construction Engineering</u>	<u>Real Estate Development</u>	<u>Environmental project Development & Water Treatment</u>	<u>Investment</u>	<u>Adjustment and write-off</u>	<u>Total</u>
Revenue:						
Segment revenues from external customers	\$ 4,107,864	3,055,398	1,077,868	-	-	8,241,130
Intersegment revenues	<u>305,092</u>	<u>-</u>	<u>-</u>	<u>1,000,836</u>	<u>(1,305,928)</u>	<u>-</u>
Total revenues	<u>\$ 4,412,956</u>	<u>3,055,398</u>	<u>1,077,868</u>	<u>1,000,836</u>	<u>(1,305,928)</u>	<u>8,241,130</u>
Reportable segment profit or loss	<u>\$ 154,904</u>	<u>691,812</u>	<u>166,458</u>	<u>939,132</u>	<u>(989,644)</u>	<u>962,662</u>
For the three months ended June 30, 2021						
	<u>Construction Engineering</u>	<u>Real Estate Development</u>	<u>Environmental project Development & Water Treatment</u>	<u>Investment</u>	<u>Adjustment and write-off</u>	<u>Total</u>
Revenue:						
Segment revenues from external customers	\$ 3,930,468	900,199	761,347	-	-	5,592,014
Intersegment revenues	<u>382,403</u>	<u>-</u>	<u>-</u>	<u>357,235</u>	<u>(739,638)</u>	<u>-</u>
Total revenues	<u>\$ 4,312,871</u>	<u>900,199</u>	<u>761,347</u>	<u>357,235</u>	<u>(739,638)</u>	<u>5,592,014</u>
Reportable segment profit or loss	<u>\$ 173,662</u>	<u>115,378</u>	<u>153,675</u>	<u>333,975</u>	<u>(376,173)</u>	<u>400,517</u>
For the six months ended June 30, 2022						
	<u>Construction Engineering</u>	<u>Real Estate Development</u>	<u>Environmental project Development & Water Treatment</u>	<u>Investment</u>	<u>Adjustment and write-off</u>	<u>Total</u>
Revenue:						
Segment revenues from external customers	8,338,601	7,676,878	2,248,697	-	-	18,264,176
Intersegment revenues	<u>678,881</u>	<u>-</u>	<u>-</u>	<u>2,325,224</u>	<u>(3,004,105)</u>	<u>-</u>
Total revenues	<u>\$ 9,017,482</u>	<u>7,676,878</u>	<u>2,248,697</u>	<u>2,325,224</u>	<u>(3,004,105)</u>	<u>18,264,176</u>
Reportable segment profit or loss	<u>\$ 254,178</u>	<u>1,819,283</u>	<u>344,957</u>	<u>2,227,477</u>	<u>(2,330,320)</u>	<u>2,315,575</u>
For the six months ended June 30, 2021						
	<u>Construction Engineering</u>	<u>Real Estate Development</u>	<u>Environmental project Development & Water Treatment</u>	<u>Investment</u>	<u>Adjustment and write-off</u>	<u>Total</u>
Revenue:						
Segment revenues from external customers	\$ 7,080,441	3,004,910	1,859,347	-	-	11,944,698
Intersegment revenues	<u>836,409</u>	<u>-</u>	<u>-</u>	<u>865,897</u>	<u>(1,702,306)</u>	<u>-</u>
Total revenues	<u>\$ 7,916,850</u>	<u>3,004,910</u>	<u>1,859,347</u>	<u>865,897</u>	<u>(1,702,306)</u>	<u>11,944,698</u>
Reportable segment profit or loss	<u>\$ 214,579</u>	<u>513,575</u>	<u>328,186</u>	<u>814,979</u>	<u>(908,469)</u>	<u>962,850</u>