

Stock Code : 3703



CONTINENTAL 欣陸投控
HOLDINGS CORPORATION

Continental Holdings Corporation

Handbook for the 2024 Annual Shareholders' Meeting

(Translation, Should there be any discrepancy between the Chinese and English version, the Chinese version shall prevail)

Meeting Date: June 3, 2024

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

Continental Holdings Corporation

Meeting Agenda

Call Meeting to Order

Chairperson Remarks

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- (2) To report the distribution of 2023 Cash Dividends 1

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Other Business and Extempore Motion

Adjourned

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Report Items

1. To report the distribution of 2023 employees' compensation and Directors' remuneration.

(Proposed by the Board of Directors)

Explanatory Notes:

The Company's employees compensation and Directors remuneration for 2023 was approved at the 16th Meeting of the 5th Board of Directors in accordance with the Company Act and Article 29-1 of the CHC Articles of Incorporation. NT\$9,961,243 in cash was to be distributed as employee compensation while no Directors remuneration was to be issued.

2. To report the distribution of 2023 cash dividend

(Proposed by the Board of Directors)

Explanatory Notes:

- (1) According to Article 31 of the Articles of Incorporation of the Company. The Board of Directors is authorized to distribute some or all of dividends and bonuses in cash. The distribution shall be reported to the shareholders' meeting.
- (2) The Company will distribute cash dividends of NT\$1,234,823,970 from 2023 earnings available for distribution at NT\$1.5 per share.
- (3) The cash dividends will be calculated based on the distribution ratio and rounded to NT\$ dollar. For the remainder less than NT\$1, NT\$1 will be distributed according the decimal number of the original distributed amount in descending order (if two or more decimal numbers are the same, the register numbers shall be adopted to decide the sequence) until the total distribution amount of cash dividends is met.
- (4) The Board of Directors has approved the distribution and authorized the Chairman to determine enact ex-dividend date, dividend payment date and handle all the matters related to the allocation of dividends based on the actual situation.

Approval Items

1. 2023 Business Report and Financial Statements.

(Proposed by the Board of Directors)

Explanatory Notes:

The Company's 2023 Financial Statements (see Attachment I: P. 5-22) were audited by independent auditors, Mr. Chung-Che Chen and Ms. Shu-Ying Chang of KPMG Taiwan. After reviewing these financial statements and 2023 Business Report (see P. 4), the Company's Audit Committee found no inconsistencies, and then issued Audit Committee's Review Report (see P. 23).

Resolved:

2. The proposal for appropriation of 2023 earnings.

(Proposed by the Board of Directors)

Explanatory Notes:

- (1) The proposed appropriation of 2023 earnings was approved by the Audit Committee and the Board of Directors of the Company.
- (2) The proposed 2023 earnings distribution table is as below.

Continental Holdings Corporation
2023 Earnings Distribution Table

Unit: NTD

Unappropriated Retained Earnings of Previous Years	5,090,142,432
Plus (Less)	
Remeasurement of Defined Benefit Obligation	(19,612,400)
Net Income of 2023	1,716,735,802
Earnings Available for Distribution	6,787,265,834
Less: Legal Reserve	(169,712,340)
Distribution Item:	
Cash Dividend to Common Shareholders@1.5	(1,234,823,970)
Unappropriated Retained Earnings	5,382,729,524

Chairman : Nita Ing

Manager : Cindy Chang

Chief Accountant : Eva Lin

Resolved:

Directors Election

Election of the 6th CHC Board of Directors.

(Proposed by the Board of Directors)

Explanatory Notes:

- (1) The 6th CHC Board of Directors will be elected at this Shareholders' Meeting. The number of Directors to be elected has been determined by the Board of Directors as 7 (including 3 independent Directors). The tenure of newly elected directors shall be 3 years starting from June 3, 2024 and expiring on June 2, 2027. The tenure of the 5th Directors will expire at the completion of 2024 annual shareholders' meeting.
- (2) The Directors shall be elected by adopting candidates nomination system as provided under in Article 192-1 of the Company Law, and Article 17 and 18 of the company's Articles of Incorporation. The Directors shall be elected from the list of Director candidates, whose Academic Qualifications, Past and Current Positions, reasons for nominating as independent director and relevant information are provided in Attachment II (see P. 24-26).
- (3) The election shall be proceeded in accordance with the CHC Rules for Election of Directors.

Voting Results:

Discussion Items

To release non-competition restrictions on the members of the 6th Board of Directors.

(Proposed by the Board of Directors)

Explanatory Notes:

- (1) Article 209, Paragraph 1 of the Company Act provides "A Director who does anything for himself or on behalf of another person that is within the scope of the company's business, shall explain to the meeting of shareholders the essential contents of such an act and secure its approval."
- (2) Details on the release of the non-competition restrictions for new Directors (Including Independent Directors) are provided in Attachment III (see P.27). This Item will be resolved to release the non-competition restrictions on new Directors to the extent without prejudice to the Company.

Resolved:

Other Business and Extempore Motion

Adjourned

Attachment I

2023 Business Report, Financial Statements and Audit Committee's Review Report

1. 2023 Business Report

In 2023, Taiwan's market prosperity was affected by the slowdown of global economic growth, compounded by monetary tightening and interest rate hike policies. Real estate transactions experienced a wait-and-see contraction in the first half of the year, gradually recovering after interest rate hikes ceased in the second half of the year. To boost economic growth, the government increased large-scale public construction expenditures and strengthened project contracting execution, which had a positive impact on the construction industry.

All colleagues within Continental Holdings Corporation's three major business entities – Construction Engineering, Real Estate Development, and Environmental Project Development & Water Treatment - demonstrated unwavering determination to exhibit business resilience amidst the challenging market environment. However, due to the deceleration in transactions within the residential real estate market and the real estate delivery cycle, consolidated revenues for 2023 totaled NT\$30.607 billion, a decrease of 5% from the previous year. Net operating profits were NT\$2.173 billion, 33% lower than the previous year. After-tax net profits amounted to NT\$1.717 billion and earnings per share was NT\$2.09, down 41% from the previous year.

In 2023, the Construction Engineering Business continued to enhance its core capabilities and prioritize financial discipline, thereby setting a new record profit since the incorporation of Continental Holdings Corporation. During the year, the Construction Engineering Business secured new projects, including the CF670A section standard project of the South Ring section of the Taipei Metro Circular Line and the transfer facility project of Taipei Metro Jiantan Station. As a result, backlog reached a record high of NT\$80 billion by the end of 2023, laying a solid foundation for the revenue target of the Construction Engineering Business in the coming years. Major projects slated for construction in 2024 include civil works and residential construction projects, such as Taoyuan Metro Green Line and Taipei Metro Circular Line.

In 2023, the Real Estate Development Business secured the Public-led urban regeneration project in Da 'An District of Taipei City and expanded its presence in the residential market in Hsinchu. Throughout the year, it primarily realized profits from the " Drawing the Dream Life " and " Timeless and Modern Expression " residential building projects, while commencing sales of residential projects in Kuala Lumpur, Malaysia. Looking ahead to 2024, it anticipates recognizing profits from " Tianjin Street " residential project and other existing housing projects and plans to launch new projects in Taipei, New Taipei, and Taichung.

In 2023, the Environmental Project Development & Water Treatment Business completed the first phase of the Taoyuan Puding Water Resources Recycling Center and the second phase of the Miaoli Tongluo Science Park Sewage Treatment Plant. Moreover, the Tainan Anping Reclaimed Water Plant was officially initiated and achieved its target of supplying 37,500 tons of reclaimed water per day ahead of schedule. Additionally, both the Tainan Chengxi Incineration Plant and the Kaohsiung Qiaotou Reclaimed Water Plant commenced construction in 2023 and will enter their construction peak in 2024.

Continental Holdings Corporation adheres to the ESG concept and is committed to improving energy efficiency, investing in the utilization of water resources and renewable energy, focusing on talent cultivation, and implementing integrity in operations. Looking ahead, we will continue to strengthen operational resilience and develop core businesses to enhance the long-term value of Continental Holdings Corporation.

Chairman : Nita Ing

Manager : Cindy Chang

Chief Accountant : Eva Lin

2. Continental Holdings Corporation Financial Statements

CONTINENTAL HOLDINGS CORPORATION

Balance Sheets

December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

	December 31, 2023		December 31, 2022		
	Amount	%	Amount	%	
Assets					
Current assets:					
1100	Cash and cash equivalents	\$ 19,207	-	80,568	-
1200	Other receivables	21,734	-	18,067	-
1220	Current tax assets	750	-	750	-
1410	Prepayments	21	-	160	-
		41,712	-	99,545	-
Non-current assets:					
1550	Investments accounted for using equity method	28,703,084	96	27,451,964	96
1600	Property, plant and equipment	2,699	-	3,534	-
1755	Right-of-use assets	48,638	-	3,540	-
1920	Guarantee deposits paid	1	-	1	-
1990	Other non-current assets, others	1,000,000	4	1,000,000	4
		29,754,422	100	28,459,039	100
Total assets		\$ 29,796,134	100	28,558,584	100

		December 31, 2023		December 31, 2022	
		Amount	%	Amount	%
Liabilities and Equity					
Current liabilities:					
2100	Short-term loans	\$ 65,000	-	-	-
2200	Other payables	51,239	-	51,742	-
2230	Current tax liabilities	253,877	1	156,547	1
2280	Current lease liabilities	11,738	-	3,747	-
2399	Other current liabilities, others	594	-	574	-
		<u>382,448</u>	<u>1</u>	<u>212,610</u>	<u>1</u>
Non-Current liabilities:					
2530	Bonds payable	1,998,555	7	1,997,832	7
2580	Non-current lease liabilities	37,631	-	-	-
2640	Net defined benefit liability, non-current	25,363	-	25,218	-
		<u>2,061,549</u>	<u>7</u>	<u>2,023,050</u>	<u>7</u>
	Total liabilities	<u>2,443,997</u>	<u>8</u>	<u>2,235,660</u>	<u>8</u>
Equity attributable to owners of parent:					
3100	Capital stock	8,232,160	28	8,232,160	29
3200	Capital surplus	6,817,198	23	6,817,198	24
3300	Retained earnings	10,469,230	35	10,830,146	38
3400	Other equity	1,833,549	6	443,420	1
	Total equity	<u>27,352,137</u>	<u>92</u>	<u>26,322,924</u>	<u>92</u>
	Total liabilities and equity	<u>\$ 29,796,134</u>	<u>100</u>	<u>28,558,584</u>	<u>100</u>

Chairman : Nita Ing

Manager : Cindy Chang

Chief Accountant : Eva Lin

CONTINENTAL HOLDINGS CORPORATION

Statements of Comprehensive Income

For the years ended December 31, 2023 and 2022

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

	2023		2022	
	Amount	%	Amount	%
4000 Operating revenues	\$ 2,121,624	100	3,075,624	100
5000 Operating costs	-	-	-	-
Gross profit from operations	2,121,624	100	3,075,624	100
Operating expenses:				
6200 Administrative expenses	146,771	7	146,057	5
Net operating income	1,974,853	93	2,929,567	95
Non-operating income and expenses:				
7100 Interest income	20,157	1	19,973	1
7020 Other gains and losses, net	13,521	1	12,907	-
7050 Finance costs, net	(26,243)	(1)	(24,507)	(1)
	7,435	1	8,373	-
Income before tax	1,982,288	94	2,937,940	95
7950 Less: Income tax expenses	265,552	13	49,548	2
Net income	1,716,736	81	2,888,392	93
8300 Other comprehensive income (loss):				
8310 Item that will not be reclassified to profit or loss				
8311 Remeasurements of defined benefit plans	204	-	1,141	-
8330 Share of other comprehensive income of subsidiaries accounted for using equity method, components of other comprehensive income that will not be reclassified to profit or loss	1,343,612	63	(21,057)	(1)
8349 Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	4,903	-	(10,814)	-
Components of other comprehensive income that will not be reclassified to profit or loss	1,348,719	63	(30,730)	(1)
8360 Item that will be reclassified to profit or loss				
8380 Share of other comprehensive income of subsidiaries accounted for using equity method, components of other comprehensive income that will be reclassified to profit or loss	21,798	1	274,101	9
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	21,798	1	274,101	9
8300 Other comprehensive income (loss)	1,370,517	64	243,371	8
8500 Total comprehensive income	\$ 3,087,253	145	3,131,763	101
Earnings per share				
9750 Basic earnings per share (NT dollars)	\$ 2.09		3.51	
9850 Diluted earnings per share (NT dollars)	\$ 2.08		3.51	

Chairman : Nita Ing

Manager : Cindy Chang

Chief Accountant : Eva Lin

CONTINENTAL HOLDINGS CORPORATION

Statements of Changes in Equity

For the years ended December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

	Retained earnings						Total other equity				Total equity
	Capital stock	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Total	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	Gains (losses) on hedging instruments	Total	
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
Net income	-	-	-	-	2,888,392	2,888,392	-	-	-	-	2,888,392
Other comprehensive income (loss)	-	-	-	-	43,254	43,254	274,101	(88,559)	14,575	200,117	243,371
Total comprehensive income (loss)	-	-	-	-	2,931,646	2,931,646	274,101	(88,559)	14,575	200,117	3,131,763
Appropriation and distribution of retained earnings:											
Legal reserve appropriated	-	-	180,428	-	(180,428)	-	-	-	-	-	-
Cash dividends	-	-	-	-	(1,383,003)	(1,383,003)	-	-	-	-	(1,383,003)
Balance at December 31, 2022	8,232,160	6,817,198	1,126,567	2,262,233	7,441,346	10,830,146	(695,150)	1,140,119	(1,549)	443,420	26,322,924
Net income	-	-	-	-	1,716,736	1,716,736	-	-	-	-	1,716,736
Other comprehensive income (loss)	-	-	-	-	(19,612)	(19,612)	21,798	1,387,325	(18,994)	1,390,129	1,370,517
Total comprehensive income (loss)	-	-	-	-	1,697,124	1,697,124	21,798	1,387,325	(18,994)	1,390,129	3,087,253
Appropriation and distribution of retained earnings:											
Legal reserve appropriated	-	-	293,164	-	(293,164)	-	-	-	-	-	-
Cash dividends	-	-	-	-	(2,058,040)	(2,058,040)	-	-	-	-	(2,058,040)
Balance at December 31, 2023	\$ 8,232,160	6,817,198	1,419,731	2,262,233	6,787,266	10,469,230	(673,352)	2,527,444	(20,543)	1,833,549	27,352,137

Chairman : Nita Ing

Manager : Cindy Chang

Chief Accountant : Eva Lin

CONTINENTAL HOLDINGS CORPORATION

Statements of Cash Flows

For the years ended December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

	2023	2022
Cash flows from operating activities:		
Income before tax	\$ 1,982,288	2,937,940
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	13,604	14,290
Interest expense	25,520	23,785
Interest income	(20,157)	(19,973)
Amortization of issuance costs on bonds payable	723	722
Loss on disposal of property, plant and equipment	-	(96)
Investment revenues	(2,121,624)	(3,075,624)
Total adjustments to reconcile profit	(2,101,934)	(3,056,896)
Changes in operating assets and liabilities:		
Changes in operating assets:		
Other receivables	558	(628)
Prepayments	139	(48)
Total changes in operating assets	697	(676)
Changes in operating liabilities:		
Other payables	(523)	12,353
Other current liabilities	20	160
Net defined benefit liability	308	143
Total changes in operating liabilities	(195)	12,656
Total changes in operating assets and liabilities	502	11,980
Total adjustments	(2,101,432)	(3,044,916)
Cash outflow generated from operations	(119,144)	(106,976)
Interest received	15,932	21,573
Dividends received	2,240,858	1,385,159
Interest paid	(25,500)	(23,785)
Income taxes paid	(168,222)	(11,345)
Net cash flows from operating activities	1,943,924	1,264,626
Cash flows from investing activities:		
Acquisition of investments accounted for using equity method	-	(510,000)
Acquisition of property, plant and equipment	(110)	(3,384)
Disposal of property, plant and equipment	-	1,475
Net cash flows used in investing activities	(110)	(511,909)
Cash flows from financing activities:		
Increase in short-term borrowings	365,000	-
Decrease in short-term borrowings	(300,000)	-
Payment of lease liabilities	(12,135)	(14,039)
Cash dividends paid	(2,058,040)	(1,383,003)
Net cash flows used in financing activities	(2,005,175)	(1,397,042)
Net (decrease) increase in cash and cash equivalents	(61,361)	(644,325)
Cash and cash equivalents at beginning of year	80,568	724,893
Cash and cash equivalents at end of year	\$ 19,207	80,568

Chairman : Nita Ing

Manager : Cindy Chang

Chief Accountant : Eva Lin

Independent Auditors' Report

To the Board of Directors of CONTINENTAL HOLDINGS CORPORATION:

Opinion

We have audited the financial statements of CONTINENTAL HOLDINGS CORPORATION("the Company"), which comprise the balance sheet as of December 31, 2023 and 2022, the statement of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the financial statements, including a summary of material accounting policies.

In our opinion, based on our audits and the report of other auditors (please refer to Other Matter paragraph), the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Certified Public Accountants Code of Professional Ethics in Republic of China ("the Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined that there are no key audit matters to be communicated in our report.

Other Matter

We did not audit the financial statements of certain investments measured by equity method of the Company. Those statements were audited by other auditors, whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for investments measured by equity method, are based solely on the reports of the other auditors. The financial statements of investments measured by equity method accounted for 18.35% and 14.79%, of the total assets at December 31, 2023 and 2022, respectively. The related share of gain of subsidiaries accounted for using the equity method represented (27.58)% and (29.16)% of the net income before tax for the years ended December 31, 2023 and 2022, respectively.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Regulations Governing the Preparation of Financial Reports by Securities Issuers, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the auditing standards generally accepted in the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

1. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

KPMG

Taipei, Taiwan

March 8, 2024

3. Continental Holdings Corporation and Subsidiaries Consolidated Financial Statements

CONTINENTAL HOLDINGS CORPORATION AND SUBSIDIARIES

Consolidated Balance Sheets

December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

	December 31, 2023		December 31, 2022		
	Amount	%	Amount	%	
Assets					
Current assets:					
1100	Cash and cash equivalents	\$ 6,878,141	9	5,822,416	8
1139	Current financial assets for hedging	28,839	-	1,299,684	2
1140	Current contract assets	5,241,492	7	5,914,931	8
1150	Notes receivable, net	684	-	12,087	-
1170	Accounts receivable, net	2,987,278	4	2,277,357	3
1200	Other receivables, net	419,134	1	383,816	1
1220	Current tax assets	59,860	-	46,749	-
130X	Inventories	25,204,641	32	24,855,132	33
1410	Prepayments	1,072,680	1	767,530	1
1479	Other current assets, others	4,166,052	5	3,841,900	4
1480	Current assets recognised as incremental costs to obtain contract with customers	273,879	-	353,531	-
		<u>46,332,680</u>	<u>59</u>	<u>45,575,133</u>	<u>60</u>
Non-current assets:					
1510	Non-current financial assets at fair value through profit or loss	1,068,858	2	1,068,858	1
1517	Non-current financial assets at fair value through other comprehensive income	3,371,634	4	1,984,309	3
1550	Investments accounted for using equity method, net	1,598,373	2	1,594,138	2
1600	Property, plant and equipment	9,530,234	12	9,551,304	13
1755	Right-of-use assets	136,481	-	146,895	-
1760	Investment properties, net	8,015,233	10	8,031,029	11
1780	Intangible assets	1,801,118	2	1,105,066	1
1840	Deferred tax assets	12,430	-	21,497	-
1932	Long-term accounts receivable	5,867,118	8	5,482,701	8
1990	Other non-current assets, others	676,513	1	489,312	1
		<u>32,077,992</u>	<u>41</u>	<u>29,475,109</u>	<u>40</u>
	Total assets	\$ 78,410,672	100	75,050,242	100

		December 31, 2023		December 31, 2022	
		Amount	%	Amount	%
Liabilities and Equity					
Current liabilities:					
2100	Short-term borrowings	\$ 15,865,691	20	14,790,012	20
2110	Short-term notes and bills payable	800,000	1	436,000	1
2126	Current financial liabilities for hedging	19,444	-	-	-
2130	Current contract liabilities	7,663,229	10	7,508,364	10
2170	Notes and accounts payable	6,578,347	8	6,093,149	8
2200	Other payables	1,902,960	3	1,759,356	2
2230	Current tax liabilities	307,008	-	184,516	-
2250	Current provisions	307,179	1	686,789	1
2280	Current lease liabilities	88,554	-	93,795	-
2310	Advance receipts	48,034	-	8,731	-
2320	Long-term liabilities, current portion	1,269,382	2	1,985,405	3
2399	Other current liabilities, others	62,089	-	58,218	-
		<u>34,911,917</u>	<u>45</u>	<u>33,604,335</u>	<u>45</u>
Non-Current liabilities:					
2530	Bonds payable	1,998,555	3	1,997,832	3
2540	Long-term borrowings	10,190,546	13	9,484,440	13
2570	Deferred tax liabilities	181,045	-	150,863	-
2580	Non-current lease liabilities	49,870	-	54,623	-
2610	Long-term accounts payable	122,981	-	129,267	-
2640	Net defined benefit liability, non-current	109,375	-	117,427	-
2645	Guarantee deposits received	70,681	-	130,006	-
		<u>12,723,053</u>	<u>16</u>	<u>12,064,458</u>	<u>16</u>
	Total liabilities	<u>47,634,970</u>	<u>61</u>	<u>45,668,793</u>	<u>61</u>
Equity attributable to owners of parent:					
3100	Capital stock	8,232,160	11	8,232,160	11
3200	Capital surplus	6,817,198	9	6,817,198	9
3300	Retained earnings	10,469,230	13	10,830,146	14
3400	Other equity	1,833,549	2	443,420	1
		<u>27,352,137</u>	<u>35</u>	<u>26,322,924</u>	<u>35</u>
36XX	Non-controlling interests	3,423,565	4	3,058,525	4
	Total equity	<u>30,775,702</u>	<u>39</u>	<u>29,381,449</u>	<u>39</u>
	Total liabilities and equity	<u>\$ 78,410,672</u>	<u>100</u>	<u>75,050,242</u>	<u>100</u>

Chairman : Nita Ing

Manager : Cindy Chang

Chief Accountant : Eva Lin

CONTINENTAL HOLDINGS CORPORATION AND SUBSIDIARIES

Consolidated Statements of Comprehensive Income

For the years ended December 31, 2023 and 2022

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

	2023		2022	
	Amount	%	Amount	%
4000 Operating revenues	\$ 30,606,844	100	32,145,603	100
5000 Operating costs	26,330,971	86	27,093,614	84
Gross profit from operations	4,275,873	14	5,051,989	16
Operating expenses				
6100 Selling expenses	478,366	2	468,445	1
6200 Administrative expenses	1,624,908	5	1,325,980	4
	2,103,274	7	1,794,425	5
Net operating income	2,172,599	7	3,257,564	11
Non-operating income and expenses:				
7100 Interest income	97,749	-	47,165	-
7010 Other income	263,469	1	160,517	-
7020 Other gains and losses, net	(84,052)	-	(164,268)	(1)
7050 Finance costs, net	(770,881)	(3)	(489,478)	(2)
7060 Share of profit (losses) of associates and joint ventures accounted for using equity method	31,386	-	6,071	-
	(462,329)	(2)	(439,993)	(3)
7900 Income before tax	1,710,270	5	2,817,571	8
7950 Less: Income tax expenses	379,875	1	228,570	1
Net income	1,330,395	4	2,589,001	7
8300 Other comprehensive income:				
8310 Items that will not be reclassified to profit or loss				
8311 Remeasurements of defined benefit plans	(24,515)	-	54,068	-
8316 Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	1,387,325	5	(88,559)	-
8317 Gains on hedging instrument	(18,994)	-	14,575	-
8349 Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	4,903	-	(10,814)	-
Components of other comprehensive income that will not be reclassified to profit or loss	1,348,719	5	(30,730)	-
8360 Items that will be reclassified to profit or loss				
8361 Exchange differences on translation of foreign financial statements	37,730	-	447,265	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	37,730	-	447,265	1
8300 Other comprehensive income	1,386,449	5	416,535	1
Total comprehensive income	\$ 2,716,844	9	3,005,536	8
Net income, attributable to:				
8610 Owners of parent	\$ 1,716,736	5	2,888,392	7
8620 Non-controlling interests	(386,341)	(1)	(299,391)	-
	\$ 1,330,395	4	2,589,001	7
Total comprehensive income attributable to:				
8710 Owners of parent	\$ 3,087,253	10	3,131,763	9
8720 Non-controlling interests	(370,409)	(1)	(126,227)	(1)
	\$ 2,716,844	9	3,005,536	8
Earnings per share				
9750 Basic earnings per share (NT dollars)	\$ 2.09		3.51	
9850 Diluted earnings per share (NT dollars)	\$ 2.08		3.51	

Chairman : Nita Ing

Manager : Cindy Chang

Chief Accountant : Eva Lin

CONTINENTAL HOLDINGS CORPORATION AND SUBSIDIARIES

Consolidated Statements of Changes in Equity

For the years ended December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

	Equity attributable to owners of parent												
	Capital stock		Retained earnings					Total other equity					
	Common Stock	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Total	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	Gains (losses) on hedging instruments	Total other equity	Total equity attributable to owners of parent	Non-controlling interests	Total equity
Balance at January 1, 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	-	-	-	-	2,888,392	2,888,392	-	-	-	-	2,888,392	(299,391)	2,589,001
Other comprehensive income (loss)	-	-	-	-	43,254	43,254	274,101	(88,559)	14,575	200,117	243,371	173,164	416,535
Total comprehensive income (loss)	-	-	-	-	2,931,646	2,931,646	274,101	(88,559)	14,575	200,117	3,131,763	(126,227)	3,005,536
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	-	-	-	-	-	-	-	-	-	-	-	(19,377)	(19,377)
Balance at December 31, 2022	<u>8,232,160</u>	<u>6,817,198</u>	<u>1,126,567</u>	<u>2,262,233</u>	<u>7,441,346</u>	<u>10,830,146</u>	<u>(695,150)</u>	<u>1,140,119</u>	<u>(1,549)</u>	<u>443,420</u>	<u>26,322,924</u>	<u>3,058,525</u>	<u>29,381,449</u>
Net income	-	-	-	-	1,716,736	1,716,736	-	-	-	-	1,716,736	(386,341)	1,330,395
Other comprehensive income (loss)	-	-	-	-	(19,612)	(19,612)	21,798	1,387,325	(18,994)	1,390,129	1,370,517	15,932	1,386,449
Total comprehensive income (loss)	-	-	-	-	1,697,124	1,697,124	21,798	1,387,325	(18,994)	1,390,129	3,087,253	(370,409)	2,716,844
Appropriation and distribution of retained earnings:													
Legal reserve appropriated	-	-	293,164	-	(293,164)	-	-	-	-	-	-	-	-
Cash dividends	-	-	-	-	(2,058,040)	(2,058,040)	-	-	-	-	(2,058,040)	-	(2,058,040)
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	735,449	735,449
Balance at December 31, 2023	<u>\$ 8,232,160</u>	<u>6,817,198</u>	<u>1,419,731</u>	<u>2,262,233</u>	<u>6,787,266</u>	<u>10,469,230</u>	<u>(673,352)</u>	<u>2,527,444</u>	<u>(20,543)</u>	<u>1,833,549</u>	<u>27,352,137</u>	<u>3,423,565</u>	<u>30,775,702</u>

Chairman : Nita Ing

Manager : Cindy Chang

Chief Accountant : Eva Lin

CONTINENTAL HOLDINGS CORPORATION AND SUBSIDIARIES

Consolidated Statements of Cash Flows

For the years ended December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

	2023	2022
Cash flows from operating activities:		
Income before tax	\$ 1,710,270	2,817,571
Adjustments:		
Adjustments to reconcile profit and loss:		
Depreciation expense	485,274	480,741
Amortization expense	68,749	65,574
Net gain on financial assets or liabilities at fair value through profit or loss	-	(462,553)
Interest expense	770,881	488,756
Interest expense(include operating cost)	14,672	-
Interest income	(97,749)	(47,165)
Dividend income	(177,422)	(126,094)
Amortization of issuance costs on bonds payable	723	722
Share of gain of associates and joint ventures accounted for using equity method	(31,386)	(6,071)
Loss on disposal of property, plant and equipment	(735)	634
Gain on disposal of property, plant and equipment (under construction costs)	48	(57)
Impairment loss	-	622,889
Recognition (reversal) of provisions	(361,838)	300,315
Warranty provisions recognition (write-off)	(276,467)	-
Gain on reversal of estimated account payable	(1,278)	(5,000)
Total adjustments to reconcile profit and loss	393,472	1,312,691
Changes in operating assets and liabilities:		
Changes in operating assets:		
Contract assets	1,057,262	(640,812)
Notes receivable	11,403	313,453
Accounts receivable	(1,528,405)	(20,102)
Other receivables	(27,339)	28,129
Inventories	(4,760,395)	(2,686,598)
Prepayments	(300,340)	136,723
Other current assets	(884,076)	(240,317)
Current assets recognised as incremental costs to obtain contract with customers	79,652	84,685
Total changes in operating assets	(6,352,238)	(3,024,839)
Changes in operating liabilities:		
Contract liabilities	4,639,481	1,021,973
Notes and accounts payable	1,037,447	(1,016,491)
Other payables	2,022	(209,401)
Provisions	(17,851)	(25,253)
Receipts in advance	33,691	(46,728)
Other current liabilities	2,377	(7,571)
Net defined benefit liability	(4,880)	(15,472)
Total changes in operating liabilities	5,692,287	(298,943)
Total changes in operating assets and liabilities	(659,951)	(3,323,782)
Total adjustments	(266,479)	(2,011,091)
Cash inflow generated from operations	1,443,791	806,480
Interest received	82,995	37,220
Interest paid	(855,925)	(625,745)
Income taxes paid	(231,636)	(147,856)
Net cash flows from operating activities	439,225	70,099

	2023	2022
Cash flows from investing activities:		
Acquisition of financial assets for hedging	(250,755)	(1,607,968)
Disposal of financial assets for hedging	1,522,050	553,023
Price of associates acquisition	-	(174,304)
Acquisition of property, plant and equipment	(439,636)	(336,472)
Disposal of property, plant and equipment	783	8,507
Decrease (increase) in other receivables	(5,431)	102,895
Increase in non-current other receivables	(147,088)	(248,403)
Acquisition of intangible assets	(764,803)	(62,306)
Decrease (increase) in other financial assets	564,806	(974,924)
Other non-current assets	(12,131)	(17,839)
Prepayments for business facilities	(60,513)	(235)
Dividends received	204,573	126,259
Long-term payments	(6,357)	(209,844)
Net cash flows from (used in) investing activities	605,498	(2,841,611)
Cash flows from financing activities:		
Increase in short-term borrowings	42,723,580	22,459,611
Decrease in short-term borrowings	(41,680,335)	(17,586,614)
Increase in short-term notes and bills payable	6,162,000	1,905,000
Decrease in short-term notes and bills payable	(5,798,000)	(1,469,000)
Increase in long-term borrowings	4,967,334	4,257,148
Decrease in long-term borrowings	(4,962,391)	(4,786,023)
Decrease in guarantee deposits received	(59,325)	(12,732)
Payment of lease liabilities	(71,522)	(94,949)
Cash dividends paid	(2,126,053)	(1,453,046)
Increase in other payables	56,823	60,406
Change in non-controlling interests	803,462	50,666
Net cash flows from financing activities	15,573	3,330,467
Effect of exchange rate changes on cash and cash equivalents	(4,571)	56,905
Net increase in cash and cash equivalents	1,055,725	615,860
Cash and cash equivalents at beginning of year	5,822,416	5,206,556
Cash and cash equivalents at end of year	\$ 6,878,141	5,822,416

Chairman : Nita Ing

Manager : Cindy Chang

Chief Accountant : Eva Lin

Independent Auditors' Report

To the Board of Directors of CONTINENTAL HOLDINGS CORPORATION:

Opinion

We have audited the consolidated financial statements of Continental Holdings Corporation and its subsidiaries ("the Group"), which comprise the statement of consolidated financial position as of December 31, 2023 and 2022, the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, based on our audits and the reports of other auditors (please refer to Other Matter paragraph), the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2023 and 2022, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the International Financial Reporting Standards ("IFRSs"), International Accounting Standards ("IASs"), Interpretations developed by the International Financial Reporting Interpretations Committee ("IFRIC") or the former Standing Interpretations Committee ("SIC") endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

1. Revenue recognition of construction contracts

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

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

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

2. Inventory evaluation

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

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

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

Other Matter

In the Group's consolidated financial statements, we did not audit the financial statements of certain subsidiaries. Those statements audited by other auditors has been furnished to us, and our opinion, insofar as it relates to the amounts included for those subsidiaries, is based solely on the report of the other auditors. The financial statements of these subsidiaries reflect the total assets constituting 20.12% and 20.39% of the consolidated total assets at December 31, 2023 and 2022, respectively, and the total revenues constituting 2.39% and 1.58% of the consolidated total revenues for the years ended December 31, 2023 and 2022, respectively.

Continental Holdings Corporation has prepared its parent-company-only financial report for the years ended December 31, 2023 and 2022, and we have issued an unqualified opinion with other matter thereon and an unqualified opinion, respectively.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with Regulations Governing the Preparation of Financial Reports by Securities Issuers and IFRSs, IASs, IFRC, SIC endorsed and issued into effect by the FSC, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

KPMG

Taipei, Taiwan

March 8, 2024

4. Audit Committee's Review Report

The Board of Directors has prepared the Company's 2023 Business Report, Financial Statements, and proposal for allocation of profits. The CPA of KPMG Taiwan was retained to audit Continental Holdings Corporation's Financial Statements and has issued an audit report relating to the Financial Statements. The Business Report, Financial Statements, and profits allocation proposal have been reviewed and determined to be correct and accurate by the Audit Committee members of Continental Holdings Corporation. According to Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Law, we hereby submit this Report.

Continental Holdings Corporation

Chairman of the Audit Committee: Tzong li, Lee

March 8, 2024

Attachment II

List of Director (Including Independent Director) Candidates

No.	Title	Name	Academic Qualifications	Major Past Positions & Current Positions
1	Director	Ms. Nita Ing Representative of Wei-Dar Development Co., Ltd.	<ul style="list-style-type: none"> ■ Bachelor of Arts in Economics, University of California, Los Angeles 	Current Positions: <ul style="list-style-type: none"> ■ Chairman / Continental Holdings Corporation ■ Chairman / TSRC Corporation ■ Chairman / Hao Ran Foundation
				Major Past Positions: <ul style="list-style-type: none"> ■ Chairman / Continental Engineering Corporation ■ Director / Continental Development Corporation ■ President/ Continental Engineering Corporation ■ Vice Chairman/TSRC Corporation ■ Director/American Bridge Holding Co. ■ Chairman/Taiwan High speed Rail Corporation
Number of shares held by Wei-Dar Development Co., Ltd.: 206,025,200				
2	Director	Ms. Helena Kuo Representative of Wei-Dar Development Co., Ltd.	<ul style="list-style-type: none"> ■ MBA, Accounting & Finance, USC ■ MA in Cognitive Learning, UCLA ■ Bachelor of Philosophy, National Taiwan University 	Current Positions: <ul style="list-style-type: none"> ■ Director/ Continental Holdings Corporation ■ Adviser / Taiwan Depository & Clearing Corp.
				Major Past Positions: <ul style="list-style-type: none"> ■ Executive Advisor/Taishin Financial Holding Co. ■ Chairman / Taiwan Depository & Clearing Corp. ■ Chairman / Taishin Bills Finance Co., Ltd. ■ Independent Director/Tatung System Technologies Inc. ■ Director/Taiwan Opportunities Fund Limited ■ Senior Advisor/UBS ■ Vice President / Bank of America ■ Adjunct Lecturer/School of Business, Soochow University
Number of shares held by Wei-Dar Development Co., Ltd.: 206,025,200				
3	Director	Mr. John Huang Representative of Han-De Construction Co., Ltd.	<ul style="list-style-type: none"> ■ Bachelor of Science (Accounting), National Cheng Kung University 	Current Positions: <ul style="list-style-type: none"> ■ Director / Continental Holdings Corporation ■ Director/ TSRC Corporation ■ Director/CDC Commercial Development Corporation
				Major Past Positions: <ul style="list-style-type: none"> ■ Director/ Continental Engineering Corporation ■ Director/ Continental Development Corporation ■ Chief Auditor / Taiwan High Speed Rail Corporation ■ General Manager / Suzhou Standard Foods (China) ■ Head of Corporate Internal Audit / Philips Companies in Taiwan ■ Audit Asst. Manager /Deloitte Touche Tohmatsu Limited (Taiwan)
Number of shares held by Han-De Construction Co., Ltd.: 63,755,667				
4	Director	Mr. Hsiung Chiang Representative of Han-De Construction Co., Ltd.	<ul style="list-style-type: none"> ■ Bachelor in Hydraulic engineering, Chung Yuan Christian University 	Current Positions: <ul style="list-style-type: none"> ■ Director / Continental Holdings Corporation ■ Director/CEC International Corporation ■ Director/CEC International Malaysia Sdn. Bhd.
				Major Past Positions: <ul style="list-style-type: none"> ■ Director/ Continental Engineering Corporation ■ Director/Continental Engineering Corp. (Hong Kong) Ltd. ■ Director/Continental Engineering Corp. (India) Private Ltd. ■ Manager/Continental Engineering Corp. (India) Private Ltd. ■ General Manager/Continental Engineering Corp. Construction Division
Number of shares held by Han-De Construction Co., Ltd.: 63,755,667				

No.	Title	Name	Academic Qualifications	Major Past Positions & Current Positions
5	Independent Director	Mr. Frank Juang	<ul style="list-style-type: none"> ▪ Master of Law, Institute of Technology Law, National Chiao-Tung University ▪ Master of Business Administration, University of Iowa ▪ Bachelor of Business Administration, National Taiwan University 	<p>Current Positions:</p> <ul style="list-style-type: none"> ▪ Independent Director / Continental Holdings Corporation ▪ Director / Azure Investment Ltd.
				<p>Major Past Positions:</p> <ul style="list-style-type: none"> ▪ Director/Taiwan Opportunities Fund Limited ▪ Independent Director / Wistron Information Technology & Service Corporation ▪ Independent Director / Browave Corporation ▪ Chairman / Young Optics Inc. ▪ Chairman / Young Lighting Technology Inc. ▪ Chairman / Optoma Corporation ▪ Managing Director, EVP & COO / Coretronic Corporation ▪ Vice President / Bankers Trust Company, Taipei Branch ▪ Vice President / H&Q Asia Pacific ▪ International Loan Officer / Bank of America, Taipei Branch
			<p>Number of shares held: 0</p> <p>Reasons for Nominating Mr. Frank Juang as Independent Director for Fourth Consecutive Tenure: Mr. Frank Juang, the Candidate for the sixth term of Independent Director, has served as an Independent Director with Continental Holdings Corporation (hereafter referred to as "the Company") for three tenures. During his tenure, he has fulfilled roles such as a member of the Audit Committee and convener of the Remuneration Committee. Leveraging his extensive experience in financial, economic, and industrial affairs, Mr. Chong has consistently provided independent and objective advice on the Company's operations, financial affairs, risk control, and other aspects across various business areas. Given the rapid changes in the current industry pattern and the Company's future business development, Mr. Chong's expertise and experience remain invaluable. Therefore, we are continuing to nominate Mr. Frank Juang as a candidate for Independent Director.</p>	
6	Independent Director	Ms. Jolien Shu	<ul style="list-style-type: none"> ▪ Master of Business, University of California, Irvine ▪ Bachelor of Arts in Business Administration, National Taiwan University 	<p>Current Positions:</p> <ul style="list-style-type: none"> ▪ Independent Director / Continental Holdings Corporation
				<p>Major Past Positions:</p> <ul style="list-style-type: none"> ▪ Financial Consultant/Womany Media Group ▪ Independent Director/ViewSonic International, Taipei, Taiwan ▪ Senior Vice President of Group Finance/GigaMedia Limited ▪ Vice President & Controller, Asia Pacific/ViewSonic International, Taipei, Taiwan ▪ Consultant/FarEastone, Taipei, Taiwan ▪ Director of Finance Dept./FarEastone, Taipei, Taiwan ▪ Financial Controller/Schlumberger Limited, Hsin Chu, Taiwan ▪ Financial Controller/Schlumberger Limited, Hong Kong ▪ Senior Accountant/Wang, Potomac & Co., CPA'S, LA, U.S.A
		<p>Number of shares held: 0</p>		

No.	Title	Name	Academic Qualifications	Major Past Positions & Current Positions
7	Independent Director	Ms. Wilma Wei	<ul style="list-style-type: none"> ▪ MBA, University of Washington ▪ Bachelor of Art in Business Administration with concentration on International Trade, National Taiwan University 	<p>Current Positions:</p> <ul style="list-style-type: none"> ▪ Senior Vice President/Compal Electronics Investment Planning and Management Office ▪ President/Compal Ruifang Health Assets Development Corporation ▪ Director/ General Life Biotechnology Co. ▪ Director/CDIB & Partners Investment Holding Corp. ▪ Director/ShengBao Precision Electronics Limited (Taicang) ▪ Director/ Compal Precision Module (Jiangsu) Co., Ltd. ▪ Director/ Ju Teng Electronics Technology Co., Ltd. (Vietnam) ▪ Director/Compal Electronic Technology (Chongqing) Co., Ltd ▪ Director/Rayonnant Technology. Co., Ltd. (Hong Kong) ▪ Director/Hua Vi Venture Capital Corp. ▪ Director/Hua VII Venture Capital Corp. ▪ Director/IIH Biomedical Venture Fund I Co., Ltd. ▪ Director/Chenfeng Optronics Co., Ltd. ▪ Director/Arce Therapeutics, Inc. ▪ Director/Compal Americas (US) Inc. ▪ Director/Compal Electronics N.A. Inc. ▪ Supervisor/Unicore Biomedical Co., Ltd. ▪ Supervisor/Infsitronix Technology Corp. ▪ Supervisor/RIPAL Optotronics Co., Ltd.. ▪ Supervisor/MACTECH Corporation ▪ Supervisor/Rayonnant Technology Co., Ltd. ▪ Supervisor/Rayonnant Technology (Taicang) Co., Ltd. ▪ Supervisor/Aco Healthcare Co., Ltd. ▪ Supervisor/Taiwan Intelligent Robotics Co., Ltd. ▪ Supervisor/RAY-KWONG Medical Management Consulting Co., Ltd. ▪ Independent Director/SYNergy ScienTech Corp. ▪ Independent Director/Visco Vison Inc. <p>Major Past Positions:</p> <ul style="list-style-type: none"> ▪ Chief Financial Officer and Senior Vice President/TPO Displays Corp. ▪ Executive Director/BNP Paribas ▪ Executive Director/Bankers Trust Company ▪ Vice President/ABN AMRO Bank ▪ Vice President/American Continental Bank ▪ Supervisor/UNICOM GLOBAL, INC. ▪ Supervisor/Henghao Technology Co., Ltd.
			Number of shares held: 0	

Attachment III

List of Candidates for the 6th term of Directors to be released from non-competition restrictions

Title	Name	Concurrent Positions
Director	Ms. Nita Ing Representative of Wei-Dar Development Co., Ltd.	<ul style="list-style-type: none"> ▪ Chairman / TSRC Corporation ▪ Chairman / Hao Ran Foundation
Director	Ms. Helena Kuo Representative of Wei-Dar Development Co., Ltd.	<ul style="list-style-type: none"> ▪ Adviser / Taiwan Depository & Clearing Corp.
Director	Mr. Hsiung Chiang Representative of Han-De Construction Co., Ltd.	<ul style="list-style-type: none"> ▪ Director / CEC International Corporation ▪ Director / CEC International Malaysia Sdn. Bhd.
Director	Mr. John Huang Representative of Han-De Construction Co., Ltd.	<ul style="list-style-type: none"> ▪ Director / TSRC Corporation ▪ Director / CDC Commercial Development Corporation
Independent Director	Mr. Frank Juang	<ul style="list-style-type: none"> ▪ Director / Azure Investment Ltd.
Independent Director	Ms. Wilma Wei	<ul style="list-style-type: none"> ▪ Senior Vice President/Compal Electronics Investment Planning and Management Office ▪ President/Compal Ruifang Health Assets Development Corporation ▪ Director/ General Life Biotechnology Co. ▪ Director/CDIB & Partners Investment Holding Corp. ▪ Director/ShengBao Precision Electronics Limited (Taicang) ▪ Director/ Compal Precision Module (Jiangsu) Co., Ltd. ▪ Director/ Ju Teng Electronics Technology Co., Ltd. (Vietnam) ▪ Director/Compal Electronic Technology (Chongqing) Co., Ltd ▪ Director/Rayonnant Technology. Co., Ltd. (Hong Kong) ▪ Director/Hua Vi Venture Capital Corp. ▪ Director/Hua VII Venture Capital Corp. ▪ Director/IIH Biomedical Venture Fund I Co., Ltd. ▪ Director/Chenfeng Optronics Co., Ltd. ▪ Director/Arce Therapeutics, Inc. ▪ Director/Compal Americas (US) Inc. ▪ Director/Compal Electronics N.A. Inc. ▪ Supervisor/Unicore Biomedical Co., Ltd. ▪ Supervisor/Infsitronix Technology Corp. ▪ Supervisor/RIPAL Optotronics Co., Ltd.. ▪ Supervisor/MACTECH Corporation ▪ Supervisor/Rayonnant Technology Co., Ltd. ▪ Supervisor/Rayonnant Technology (Taicang) Co., Ltd. ▪ Supervisor/Aco Healthcare Co., Ltd. ▪ Supervisor/Taiwan Intelligent Robotics Co., Ltd. ▪ Supervisor/RAY-KWONG Medical Management Consulting Co., Ltd. ▪ Independent Director/SYNergy ScienTech Corp. ▪ Independent Director/Visco Vison Inc.

Appendix I

Rules of Procedure for Shareholders' Meetings

Article 1. (Legal Basis)

The Company's shareholders meetings, except as otherwise provided by law, regulation, or the Articles of Incorporation, shall be conducted in accordance with the Rules.

Article 2. (Sign-in at Shareholders' Meeting and Calculation of Attendance)

Shareholders or their appointed proxies (collectively "Shareholders") should display their attendance cards and submit their sign-in cards in lieu of signing in. The number of shares represented shall include shares exercised by electronic means. Identification documents should also be carried by non-shareholder proxy agents and solicitors with letters of authorization for verification.

The shares of those that fall into one of the following categories have no voting rights so will not count towards the total number of issued shares and represented shares:

- i. Shares held by the Company itself in accordance with the law.
- ii. The shares of the Company that are held by a subordinate company where the majority of voting shares or total equity is held by the Company.
- iii. The shares of the Company that are held by another company where the majority of voting shares or total equity is held directly or indirectly by the Company or its subordinate compan(ies).

Article 3. (Convening of Shareholders' Meetings)

If a Shareholders Meeting is convened by the Board of Directors, the meeting shall be chaired by the Chairperson of the Board. When the Chairperson of the Board is on leave or unable to exercise their powers for any reason, the Chairperson shall designate a Director to act as the Chair. If no acting Chair is appointed by the Chairperson, then the Directors shall select one of their number to serve as the Chair.

If a Shareholders' Meeting is convened by a party other than the Board of Directors with the power to convene, the convener should preside as the Chair. When there are two or more such convening parties then they should select a Chair from among themselves.

Article 4. (Non-voting Personnel at a Shareholders' Meeting)

The Chair may appoint its attorneys, certified public accountants, or other related personnel to attend a Shareholders' Meeting in a non-voting capacity.

Article 5. (Preservation of Order at the Meeting Venue)

The Chair may direct organizers of the Shareholders' Meeting as well as inspectors (or security staff) tasked with maintaining order at the venue to assist with the conduct of the meeting. Such personnel should wear identifying badges or armbands.

Article 6. (Holding of Shareholders' Meetings)

The Chair should call the meeting to order at the scheduled time.

However, when the attending shareholders do not represent a majority of the total issued shares, the Chair may announce a postponement, provided that no more than two such postponements with a total duration of no more than one hour, are made. If the quorum is not met after two postponements but attending shareholders represent one third or more of the total issued shares, a tentative resolution may be adopted pursuant to Article 175, Paragraph 1, of the Company Act. All shareholders shall be notified of the tentative resolution and another Shareholders' Meeting shall be convened within one month.

If the attending shareholders represent a majority of total issued shares, the Chair may submit previous tentative resolutions to another vote by shareholders pursuant to Article 174 of the Company Act.

Article 7. (Discussion of Proposals)

The agenda of a Shareholders' Meeting shall be set by the Board of Directors. The meeting shall proceed in the order set by the agenda and may not be changed without a resolution of the Shareholders' Meeting.

The Chair may not declare the meeting adjourned before all items on the agenda (including extraordinary motions) have been deliberated upon, except by a resolution of the Shareholders' meeting, or for the general discussion of extraordinary motions.

Once a meeting has been adjourned, attending shareholders shall not elect another Chair and resume the meeting at the same or another venue. In the case that the Chair adjourns the meeting in violation of the Rules, the majority of the attending shareholders shall elect a chairperson to continue with the meeting.

Article 8. (Shareholder Proposals)

Any proposals put forward by attending shareholders, or any proposed corrections or alternatives to an existing motion, should be made in writing. With the exception of extraordinary motions, such proposals should also be signed and seconded by another attending shareholder. The shares represented by the proposer and those seconding the motion should amount to at least 0.2% of all issued voting shares.

When there is an amendment or an alternative to a proposal, the Chair shall decide the order in which they will be put to a vote. When any one among them is passed, the other proposals will then be deemed rejected, and no further voting shall be required.

The discussion and voting order for any extraordinary motions proposed at a Shareholders' Meeting shall be left up to the discretion of the chair.

Article 9. (Handling of Proposals before Shareholders' Meetings)

If any proposals were made before a Shareholders' Meeting but not included on the agenda, the Board of Directors should state the reason for their non-inclusion in the meeting handbook of the general shareholders' meeting. Such proposals will not be included separately in the agenda or recorded in the meeting minutes.

Shareholder proposals may be included in the agenda of the Shareholders' Meeting after being reviewed by the Board of Directors. Motions of the same type may be merged by the Chair in accordance with Article 8, Paragraph 2.

Article 10. (Shareholder Speech)

Attending shareholders who wish to speak during the meeting must fill out a speech note with a summary of their speech, their attendance card number, and their name. The sequence of speeches shall be determined by the Chair.

If an attending shareholder submits a speech note but does not speak then no speech shall be deemed to have been made. If the content of the speech is not consistent with the content of the speech note, then the content of the actual speech shall prevail.

If an attending shareholder has any questions regarding items to be reported on the agenda, they should wait until the entire report has been read or presented by the Chair or the appointed person before speaking. Each person may not speak for more than 2 times and no longer than 5 minutes each time. Speaking time may be extended by 5 minutes with the Chair's permission but no more than once.

The duration and number of speeches that attending shareholders may make for each acknowledgment and discussion on the agenda, and for all motions put forward during the extraordinary motion procedure, shall also be governed by the last paragraph of the preceding section.

The duration and number of speeches that attending shareholders may make for non-motion-related questions and speeches during the extraordinary motion procedure shall be governed by the last paragraph of section 3.

Where a non-shareholder juristic person is appointed by a shareholder to attend a Shareholders' Meeting on their behalf, the juristic person may only appoint one representative to attend and speak during the meeting. If two or more representatives are appointed by the government or a juristic person shareholder, or those attending as the proxy of other shareholders, only one person may be nominated to speak on their behalf.

The Chair may terminate the speech of any attending shareholder if their speech runs overtime or strays from the scope of the motion. If they refuse to stop speaking or impede the meeting procedure in some other manner, the Chair may direct the inspectors (or security staff) to take any necessary measures to preserve the order of the meeting venue, or to allow the meeting to proceed as normal.

When an attending shareholder is speaking, other shareholders may not speak or interrupt them without the consent of the Chair. Any violations should be stopped by the Chair.

After an attending shareholder has spoken, the Chair may respond in person or direct the relevant personnel to respond.

Article 11. (Putting Motions to a Vote)

When a motion is under discussion, the Chair may bring discussions to an end at a suitable time. Once discussions have been brought to an end the Chair may immediately put the motion to a vote.

Article 12. (Voting on Motions)

Voting on motions is calculated on the basis of shares with each share representing one vote. Except as otherwise provided by law, regulation, or the Articles of Incorporation, a motion is carried if it is supported by a majority of the votes from attending shareholders. Voting for the election of Directors shall be handled in accordance with the Rules for Election of Directors.

Except when shareholders are exercising their opposing vote in writing or electronically to a motion, if the Chair asks for any objections and there are none, then the motion is carried with the same force as if it were put to a vote.

Resolutions should be recorded in the meeting minutes.

Article 13. (Vote Monitoring, Vote Counting, Ballot Retention, and Handling of Disputes)

When a motion is put to the vote, the Chair shall appoint two ballot inspectors and a number of ballot counters to carry out the necessary tasks. Ballot inspectors should be shareholders. The votes on each resolution will not be called. The outcomes of the voting should be reported on the spot and recorded. The ballots shall be sealed then signed or stamped by the ballot inspectors before being retained by the Company for safekeeping.

If a shareholder disputes the voting process, counting method, and the validity of the ballots, the ballot inspectors shall record the disputing person's shareholder account number, weighted votes, and the matter being disputed. The record shall then be signed or stamped before being sealed.

Above disputes should be handled by shareholders in accordance with the appropriate legal process. No dispute may be used to obstruct or interfere with the meeting proceedings.

Article 14. (Invalid Ballots and their Determination)

Ballots are deemed invalid if ballot inspectors unanimously decide that they fall into one of the following categories:

- (1) Vote was not cast using ballot paper prepared by the Board of Directors.
- (2) Vote was not cast using ballot paper specified by the Chair.
- (3) Blank ballot paper was cast into the ballot box.
- (4) Writing is indistinct, illegible, or has been altered.
- (5) Ballot has been modified or marked with other text or symbols.
- (6) Both for and against are circled.
- (7) Ballot paper has been torn and is no longer intact

Article 15. (Recess and Resumption of a Shareholders' Meeting)

The Chair may announce a recess at a suitable time during the meeting. If there is an air-raid alert or some other matter that prevents the meeting from proceeding, the meeting should be adjourned and evacuated immediately. The meeting may resume an hour after the alarm is canceled or the end of the event.

Article 16. (Matters Not Specified in these Rules)

The procedures, handling of motions, method of voting, and all other matters relating to Shareholders' Meetings shall be governed by these Rules. The conduct of any matters not covered in these Rules except as otherwise provided by the Company Act, the Securities and Exchange Act, and the Articles of Incorporation, shall be as directed by the Chair.

Article 17. (Appendix)

These Rules and any amendments shall take effect after having been approved by a Shareholders' Meeting.

Appendix II

Articles of Incorporation

Chapter I. General Provisions

- Article 1: The Company is organized in accordance with the *Business Mergers and Acquisitions Act*, the *Company Act*, and other applicable laws and regulations, and then named “Continental Holdings Corporation.”
- Article 2: The business operation of the Company: H201010 General Investment.
- Article 3: The Company is engaged in the investment business and is not subject to the restriction of not having the total investment amount exceeding 40% of the paid-in capital according to the *Company Act*.
- Article 4: The Company may provide endorsement and guarantee and act as a guarantor for business or investment needs.
- Article 5: The headquarters of the Company is located in Taipei City. Branches or representative offices may be established by a resolution of the Board of Directors.
- Article 6: Public announcements of the Company shall be made in accordance with the provisions of the *Company Act*.

Chapter II. Shares

- Article 7: The total capital stock of the Company shall be in the amount of NT\$10,000,000,000, divided into 1,000,000,000 shares with a par value of NT\$10 each. The Board of Directors is authorized to issue the shares in installments if needed.
- Article 8: The share certificates of the Company shall be in registered form, attached with a serial number, signed or sealed by at least three Directors, and issued after certified authentication from authority or competent underwriter. The Company may be exempted from printing share certificates, or may print consolidated share certificates when issuing new shares, provided that such issuance shall be duly registered or kept with the securities depository and cleaning agent.
- Article 9: The shareholders of the Company shall transfer stock, pledge of rights, amendment or loss of seal, or the other stock transactions, unless stipulated by other specified by laws and securities regulations, in accordance with the *Regulations Governing the Administration of Shareholder Services of Public Companies*.
- Article 10: Registration for transfer shall be suspended 60 days before the date of regular meeting of shareholders, and 30 days before the date of any special meeting of shareholders, or within 5 days before the day on which dividend, bonus, or any other benefit is scheduled to be paid by the Company.

Chapter III. Shareholders' Meeting

- Article 11: The shareholders meetings Includes two types, regular meeting and special meeting. Regular meeting shall be convened once a year by the Board of Directors within six months after the close of each fiscal year. Special meeting shall be convened when necessary in accordance with the relevant laws and regulations. Shareholders should be informed of the regular shareholders meeting to be convened 30 days in advance, and for a special shareholder meeting to be convened 15 days in advance.. For shareholders that hold less than one thousand registered shares, such notice may be publicly announced instead.
- Article 12: If a shareholder is unable to attend a shareholders' meeting in person, he/she may appoint a proxy to attend on his/her behalf by presenting a signed and sealed proxy voting form printed by the Company stating the scope of authorization.
- Article 12-1: The Company may have the shareholders meeting held by video conference or other methods announced by the competent authorities.
The Company shall have the video conference of the shareholders meeting handled in accordance with the

relevant law and regulations and the Company's Rules of Procedure for the Shareholders Meeting.

- Article 13: The shareholders' meeting shall be presided by the Chairman of the Board of Directors. If the Chairman is absent or unable to perform his/her duties, he/she may designate one of the Directors as a proxy. When a proxy was not designated by the Chairman, the Directors may elect one among themselves to act as the Chairman of the meeting.
- Article 14: Each shareholder of the Company shall have one vote for each share held unless otherwise specified by the *Company Act*.
- Article 15: Resolutions at a meeting of shareholders shall be adopted by a majority vote of the shareholders present who represent more than one-half of the total number of voting shares, unless otherwise specified by the *Company Act*.
- Article 16: The resolutions adopted at a shareholders' meetings shall be recorded in the minutes of the meeting, and shall state the time and date, venue, resolutions, name of the Chairman, method of voting, and the number of shares represented. The minutes shall be affixed with the signature or seal of the Chairman, and distributed to each shareholder within 20 days after the close of the meeting.
- The aforementioned minutes can be prepared in an electronic format and the distributed or announced accordingly.
- The minutes of the meeting, together with the attendance card and proxies, shall be archived by the Company for the period specified by the *Company Act* or applicable laws and regulations.

Chapter IV. Directors

- Article 17: The Company shall have five to seven Directors, and the actual seats will be determined by Board of Directors. The Directors shall be elected by adopting the candidates' nomination system as specified in Article 192-1 of the *Company Act*. Shareholders shall elect Directors from nominees on the list of director candidates. The nomination and related announcement of director candidates shall comply with the relevant articles of the *Company Act*, and the Securities and Exchange Act. The term of office for Directors shall be three years and all Directors shall be eligible for re-election. The shareholdings percentage of all the Directors shall be in accordance with relevant regulations of the securities authorities.
- For the election of Directors at the shareholders' meeting, each share has the same voting rights equal to the number of Directors to be elected. Shareholders may cast all his/her voting rights to one candidate or among several candidates. Candidates who receive more voting rights shall be elected as Directors.
- Article 18: Since the third session, the Company shall have three Independent Directors to be included in the Board of Directors specified in the preceding article.
- The election of Independent and Non-independent directors shall be held at the same time, and the number of Independent Directors and Non-independent Directors elected shall be calculated separately. The relevant professional qualifications, restrictions on shareholdings and concurrent positions held, assessment of independence, method of nomination, performance of duties and other compliance matters in regard to Independent Directors shall be handled in accordance with the *Securities Exchange Act* and other applicable laws and regulations.
- Article 18-1: The Company shall establish an Audit Committee composed of all Independent Directors in accordance with Article 14-4 of the *Securities and Exchange Act*. The exercise of powers and other matters relating to the Audit Committee and its members shall comply with the *Securities Exchange Act* and the applicable laws and regulations.
- Article 19: In the case that vacancies on the Board of Directors exceed one-third of the total number, or all Independent Directors are dismissed, the Board of Directors shall convene a special meeting within 60 days to elect new Directors to fill such vacancies in accordance with relevant laws, rules and regulations. The new Directors shall serve the remaining term of the predecessors.
- Article 20: The Board of Directors is organized by all directors in order to exercise their entrusted duties and authority. The Chairman of the board is elected among the directors lawfully to represent the Company externally.

- Article 21: Meetings of the Board of Directors shall be convened by the Chairman. with the reasons for convening the meeting forwarded to all directors seven days in advance. However, a board meeting can be convened at any time in the event of an emergency.
The aforementioned notice may be made by written notice, by fax, or electronically.
- Article 22: Meetings of the Board of Directors shall be presided by the Chairman. In case the Chairman is on leave or otherwise cannot exercise his/her duties, the Chairman shall appoint a director to act as his/her deputy. If a deputy was not appointed by the Chairman, the Directors shall elect among themselves a Chairman to preside over the meeting. Directors should attend each meeting of the Board in person. The board meeting may be convened via video conference call, and the Directors who attend the board meeting via video conference shall be deemed to have attended the meeting in person. If a Director is unable to attend a meeting of the Board for any reason, he/she may appoint another Director as his/her proxy each time with a power of attorney stating the scope of authority with reference to the reason for the meeting.
A Director may act as the proxy for only one other Director only.
- Article 23: (deleted)
- Article 24: The operations and management of the Company, unless otherwise to be resolved by the shareholders' meeting as required by law or the Articles of Incorporation, are resolved by the Board of Directors.
- Article 25: Resolutions of the Board shall be adopted by a majority of the Directors at a meeting attended by one-half of the Directors, unless otherwise provided for in the *Company Act*.
- Article 26: The Board of Directors is authorized to determine the compensation for the Directors by taking into account their participation in the Company's business and their contribution value, and domestic and overseas industry standards.
Travel expenses or attendance fees may be reimbursed to the Directors of the Company. The amount is to be determined by the Board of Directors.
- Article 27: The Board of Directors can set up functional committees to ensure proper oversight and to enhance management capabilities. The articles of each specialized committee will be stipulated by the Board of Directors.
The Company may, in accordance with applicable laws and regulations or rules issued by competent authorities, purchase Directors and Officers Liability Insurance with respect to liabilities resulting from exercising directors' duties during their terms of office.

Chapter V. Managerial Officers

- Article 28: The Company may appoint one Chief Executive Officer (CEO) and several officers. The CEO shall follow the resolutions of the Board of Directors to manage the operations of the Company. Their appointment and discharge shall be determined by resolution of the Board of Directors.
The aforementioned officers must obtain authorized personal signature or Company sealed authorization letter resolved by the Board of Directors when endorsing, guaranteeing, signing contracts or signing bills with their name on behalf of the Company.

Chapter VI. Accounting

- Article 29: The fiscal year of the Corporation shall begin on January 1 of each year and end on December 31 of the same year. The final accounts shall be prepared at the end of each fiscal year.
- Article 29-1: If there is profit for the fiscal year, the Company shall allocate 0.5% of the profit as employee's compensation and no more than 0.5% as remuneration to Directors, provided that the Company's accumulated losses shall have been covered in advance.
The employees of affiliated companies may be included in the distribution of employee's compensation.
The distribution terms for employee's compensation and the amount of Directors' remuneration aforementioned under paragraph one shall be resolved by the Board of Directors with majority vote from more than two-thirds of Directors in attendance, and be reported to the shareholders' meeting.

- Article 30: The following documents shall be prepared by the Board of Directors after the end of each fiscal year and submitted to the regular shareholders' meeting for approval in accordance with the statutory procedure.
1. Business report.
 2. Financial statements.
 3. Surplus earnings distribution or loss make-up proposal.
- Article 31: The Company adopts a steady and balanced dividend policy. If there are earnings in the Company's annual final accounts, after having all taxes paid and making cumulative losses up the Company can set aside 10% of the earnings as legal reserve, and set aside or reverse the special reserve in accordance with Article 41 of the Securities Exchange Act and applicable laws and regulations. The aforementioned ending balance plus unappropriated retained earnings of previous years shall be earnings available for distribution based on which a dividend distribution proposal shall be submitted. However, if there is no accumulated loss of previous years, dividend shall be no less than thirty percent of net profit of that fiscal year. The total amount of cash dividend distributed under above distribution of earnings shall be no less than thirty percent of total dividend to shareholders.
- In the case when distribution of earnings under Paragraph one is to be issued in the form of new shares, the proposal should be drafted by the Board of Directors and submitted to the shareholders' meeting for approval before distribution; whereas earnings distributed in the form of cash can be resolved by the Board of Directors with majority vote from more than two-thirds of all Directors in attendance, and be reported to the shareholders' meeting.
- If the Company incurred no loss, then the Board of Directors can distribute the legal reserve and the capital reserve defined under Paragraph one, Article 241 of the Company Act fully or partially to shareholders proportionally by their initial shareholdings in cash according to the resolutions reached by the board of directors with a majority vote at a meeting attended by over two-thirds of the directors, and then reported in the shareholders' meeting.
- Article 32: In the case when the accumulated legal reserve equals or exceeds the Company's paid-in capital, further allocations can be suspended by resolution of the shareholders' meeting.

Chapter VII. Other

- Article 33: The matters not fully addressed in the Articles of Incorporation shall be governed by the *Company Act*.
- Article 34: (deleted)
- Article 35: The Articles of Incorporation was established on November 2, 2009. The 1st amendment was made on June 29, 2010. The 2nd amendment was made on May 25, 2012. The 3rd amendment was made on June 6, 2014. The 4th amendment was made on May 22, 2015. The 5th amendment was made on June 14, 2016. The 6th amendment was made on June 12, 2019. The 7th amendment was made on July 30, 2021. The 8th amendment was made on June 9th , 2022 that have been implemented since the resolutions reached in the shareholders meeting.

Appendix III

Rules for the Election of Directors

- Article 1 The election of Directors of the Corporation shall be conducted in accordance with these Rules.
- Article 2 To elect the Directors of the Corporation, the number of votes exercisable by each share should be equal to the number of Directors to be elected. Votes may all be cast for one candidate or split between multiple candidates. Candidates that receive a prevailing number of votes shall be elected as Directors.
- The shareholder number or attendance pass number shall be printed on the ballot as a substitute for voter registration. Ballots shall be prepared and distributed by the Board of Directors. The format, content and the information to be provided shall be set by the printer of the ballots. No unauthorized alterations are permitted. Ballots should be cast into the ballot boxes specified by the Chairperson.
- In addition to the two above provisions, shareholders may also exercise their voting rights through mail-in ballots or electronic voting. The methods for mail-in ballots or electronic voting are indicated on the convening notice for Shareholders' Meetings.
- Article 3 The candidate nomination system shall be adopted for the election of Directors of the Corporation in accordance with the Company Act and related laws and regulations. Shareholders should elect the Directors from the list of candidates announced by the Corporation.
- The election of Directors and Independent Directors of the Corporation shall be held concurrently in accordance with the relevant procedures of these Rules. The number of Independent Directors and non-Independent Directors to be elected shall be calculated separately. Candidates that receive a prevailing number of votes shall be elected.
- Article 4 Voters may write only the number of the candidate director in the "Candidate" field on the ballot, or write their name and/or title. Only one candidate may be written per "Candidate" field. If the name being written is identical to that of another candidate, the voter should include the number assigned to the candidate by the list of candidate directors for the sake of identification.
- Article 5 The number of Directors of the Corporation shall be as specified in the Articles of Incorporation and as announced. Those who receive ballots that represent a prevailing number of votes are elected. If the number of elected candidates exceeds the specified number of seats due to two or more candidates receiving the same number of votes, the winner shall be determined by lot. If a candidate is not present then the lot will be drawn by the Chairperson on their behalf.
- Article 6 At the start of the election, the Chairperson shall appoint two ballot inspectors and multiple ballot counters to discharge their respective duties.
- Article 7 The duties of the ballot inspectors are as follow:
- (1) Opening the ballot box for public inspection before the start of voting.
 - (2) Maintain order and supervise the voting to check for any oversights or illegal activity.

- (3) Once all votes have been cast, unseal the ballot boxes to remove the ballots and check the total number of ballots.
 - (4) Inspect the ballots to check for any that are invalidated under the provisions of these Rules then pass the valid ballots to the ballot counter.
 - (5) Ballot inspectors shall record the number of votes received by each candidate and co-sign the tally report with the ballot counter.
 - (6) Sign the sealed ballot pouch as proof that it has been sealed for safekeeping.
- Votes do not have be called out as they are being tallied.

Article 8 A ballot shall be deemed invalid if all ballot inspectors agree that it falls into one of the following categories:

- (1) An unauthorized ballot was used, the ballot was not cast into the ballot box specified by the Chairperson, or the ballot was altered.
- (2) The number of candidates written down exceeded the specified quota.
- (3) The ballot was not filled out in accordance with Article 4, or where it also contains other writings or symbol.
- (4) The writing is too indistinct to be legible.
- (5) A blank ballot was cast into the ballot box.
- (6) The voter cast more votes than they actually hold.

Article 9 Once all ballots have been cast the ballot box is unsealed by the ballot inspectors.

Article 10 Once the results of the tally have been verified by the ballot inspectors, the election results are submitted to the Chairperson. The Chairperson shall announce the list of elected directors on the spot.

Article 11 Any matters not specified in these Rules shall be conducted in accordance with the directions issued by the Chairperson unless otherwise specified by law or in the Articles of Incorporation.

Article 12 These Rules and any amendment hereto shall take effect after they are approved by the Shareholders' Meeting.

Appendix IV

Continental Holdings Corporation: Shareholdings of All Directors

Minimum shareholding requirement of All Directors	Shareholding as of 2024.4.5
26,342,911	269,780,867

Title	Name	Shareholdings as of 2024.4.5
Chairman	Ms. Nita Ing Representative of Wei-Dar Development Co., Ltd	206,025,200
Director	Ms. Helena Kuo Representative of Wei-Dar Development Co., Ltd	
Director	Mr. John Huang Representative of Han-De Construction Co., Ltd.	63,755,667
Director	Mr. Hsiung Chiang Representative of Han-De Construction Co., Ltd.	
Independent Director	Mr. Allen Lee	0
Independent Director	Mr. Frank Juang	0
Independent Director	Ms. Jolien Shu	0
Total Directors' shareholding		269,780,867

