

**CONTINENTAL HOLDINGS CORPORATION
AND SUBSIDIARIES**

CONSOLIDATED FINANCIAL STATEMENTS

**With Independent Auditors' Review Report
For the Six Months Ended June 30, 2024 and 2023**

Address: 23F., No.95, Sec. 2, Dunhua S. Rd., Da'an Dist., Taipei City 106, Taiwan
(R.O.C.)

Telephone: (02)3701-2000

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

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安侯建業聯合會計師事務所

KPMG

台北市110615信義路5段7號68樓(台北101大樓)
68F., TAIPEI 101 TOWER, No. 7, Sec. 5,
Xinyi Road, Taipei City 110615, Taiwan (R.O.C.)

電話 Tel + 886 2 8101 6666
傳真 Fax + 886 2 8101 6667
網址 Web kpmg.com/tw

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Independent Auditors' Review Report

To the Board of Directors
CONTINENTAL HOLDINGS CORPORATION:

Introduction

We have reviewed the accompanying consolidated balance sheets of CONTINENTAL HOLDINGS CORPORATION and its subsidiaries as of June 30, 2024 and 2023, and the related consolidated statements of comprehensive income for the three months and six months ended June 30, 2024 and 2023, as well as the changes in equity and cash flows for the six months ended June 30, 2024 and 2023, and notes to the consolidated financial statements, including a summary of significant accounting policies. Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

Scope of Review

Except as explained in the Basis for Qualified Conclusion paragraph, we conducted our reviews in accordance with the Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" of the Republic of China. A review of the consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the Standards on Auditing of the Republic of China and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Basis for Qualified Conclusion

As stated in Note 4(b), the consolidated financial statements included the financial statements of certain non-significant subsidiaries, which were not reviewed by independent auditors. These financial statements reflect total assets amounting to \$18,717,282 thousand and \$24,553,855 thousand, constituting 22.88% and 33.39% of consolidated total assets; and total liabilities amounting to \$12,450,372 thousand and \$16,045,198 thousand, constituting 24.56% and 36.13% of consolidated total liabilities as of June 30, 2024 and 2023, respectively; as well as the total comprehensive income amounting to \$(116,435) thousand, \$11,250 thousand, \$(408,185) thousand and \$(45,152) thousand, constituting (7.04)%, 1.20%, (24.67)% and (4.02)% of consolidated total comprehensive income for the three months and six months ended June 30, 2024 and 2023, respectively.

Furthermore, as stated in Note 6(h), the other equity accounted investments of the CONTINENTAL HOLDINGS CORPORATION and its subsidiaries in its investee companies of \$1,600,044 thousand and \$1,591,703 thousand as of June 30, 2024 and 2023, respectively, and its equity in net earnings on these investee companies of \$(3,491) thousand, \$7,263 thousand, \$1,391 thousand and \$24,716 thousand for the three months and six months ended June 30, 2024 and 2023, respectively, were recognized solely on the financial statements prepared by these investee companies, but not reviewed by independent auditors.

Qualified Conclusion

Except for the adjustments, if any, as might have been determined to be necessary had the financial statements of certain consolidated subsidiaries and equity accounted investee companies described in the Basis for Qualified Conclusion paragraph above been reviewed by independent auditors, based on our reviews, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of CONTINENTAL HOLDINGS CORPORATION and its subsidiaries as of June 30, 2024 and 2023, and of its consolidated financial performance for the three months and six months ended June 30, 2024 and 2023, as well as its consolidated cash flows for the six months ended June 30, 2024 and 2023 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, “Interim Financial Reporting” endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

The engagement partners on the reviews resulting in this independent auditors’ review report are Chen, Chung-Che and Chang, Shu-Ying.

KPMG

Taipei, Taiwan (Republic of China)
July 31, 2024

Notes to Readers

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

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

(English Translation of Consolidated Financial Statements and Report Originally Issued in Chinese)

CONTINENTAL HOLDINGS CORPORATION AND SUBSIDIARIES

Consolidated Balance Sheets

June 30, 2024, December 31, 2023, and June 30, 2023

(Expressed in Thousands of New Taiwan Dollars)

Assets		June 30, 2024		December 31, 2023		June 30, 2023		Liabilities and Equity		June 30, 2024		December 31, 2023		June 30, 2023	
		Amount	%	Amount	%	Amount	%			Amount	%	Amount	%	Amount	%
Current assets:								Current liabilities:							
1100	Cash and cash equivalents (Note 6(a))	\$ 6,481,572	8	6,878,141	9	6,229,706	8	2100	Short-term borrowings (Note 6(o))	\$ 19,123,608	24	15,865,691	20	12,051,543	17
1139	Current financial assets for hedging (Note 6(d))	90,215	-	28,839	-	30,880	-	2110	Short-term notes and bills payable (Note 6(p))	250,000	-	800,000	1	736,000	1
1140	Current contract assets (Notes 6(aa) and 7)	5,049,816	6	5,241,492	7	5,137,491	7	2126	Current financial liabilities for hedging (Note 6(d))	62,419	-	19,444	-	9,769	-
1150	Notes receivable, net (Notes 6(e) and (aa))	548	-	684	-	1,691	-	2130	Current contract liabilities (Note 6(aa))	8,946,218	11	7,663,229	10	6,815,521	9
1170	Accounts receivable, net (Notes 6(e), (aa) and 7)	2,186,465	3	2,987,278	4	2,206,784	3	2170	Notes and accounts payable (Note 7)	6,296,016	8	6,578,347	8	5,899,945	8
1200	Other receivables, net (Notes 6(f) and 7)	752,614	1	419,134	1	473,252	1	2200	Other payables (Note 7)	3,056,388	4	1,902,960	3	3,700,112	5
1220	Current tax assets	65,497	-	59,860	-	52,756	-	2230	Current tax liabilities	219,792	-	307,008	-	216,773	-
130X	Inventories (Notes 6(g) and 8)	30,238,592	37	25,204,641	32	24,615,998	33	2250	Current provisions (Note 6(t))	233,989	-	307,179	1	536,235	1
1410	Prepayments	1,558,700	2	1,072,680	1	1,113,838	2	2280	Current lease liabilities (Notes 6(s) and 7)	96,038	-	88,554	-	88,011	-
1479	Other current assets, others (Notes 6(a) and 8)	4,583,045	6	4,166,052	5	2,825,876	4	2310	Advance receipts	83,879	-	48,034	-	50,095	-
1480	Current assets recognised as incremental costs to obtain contract with customers	249,761	-	273,879	-	319,806	-	2320	Long-term liabilities, current portion (Note 6(r))	800,272	1	1,269,382	2	1,431,333	2
		<u>51,256,825</u>	<u>63</u>	<u>46,332,680</u>	<u>59</u>	<u>43,008,078</u>	<u>58</u>	2399	Other current liabilities, others	<u>124,274</u>	<u>-</u>	<u>62,089</u>	<u>-</u>	<u>75,063</u>	<u>-</u>
										<u>39,292,893</u>	<u>48</u>	<u>34,911,917</u>	<u>45</u>	<u>31,610,400</u>	<u>43</u>
Non-current assets:								Non-Current liabilities:							
1510	Non-current financial assets at fair value through profit or loss (Note 6(b))	1,068,858	1	1,068,858	2	1,068,858	2	2530	Bonds payable (Note 6(q))	1,998,916	3	1,998,555	3	1,998,194	3
1517	Non-current financial assets at fair value through other comprehensive income (Note 6(c))	4,282,063	5	3,371,634	4	2,379,255	3	2540	Long-term borrowings (Note 6(r))	8,837,482	11	10,190,546	13	10,256,364	14
1550	Investments accounted for using equity method, net (Notes 6(h) and 7)	1,600,044	2	1,598,373	2	1,591,703	2	2570	Deferred tax liabilities	204,936	-	181,045	-	162,679	-
1600	Property, plant and equipment (Notes 6(k) and 8)	10,251,764	13	9,530,234	12	9,409,344	13	2580	Non-current lease liabilities (Notes 6(s) and 7)	45,108	-	49,870	-	55,741	-
1755	Right-of-use assets (Note 6(l))	139,777	-	136,481	-	142,842	-	2610	Long-term accounts payable (Note 6(v))	129,972	-	122,981	-	131,077	-
1760	Investment properties, net (Notes 6(m) and 8)	2,870,911	4	8,015,233	10	8,021,953	11	2640	Net defined benefit liability, non-current	106,972	-	109,375	-	112,722	-
1780	Intangible assets (Note 6(n))	2,865,386	3	1,801,118	2	1,112,394	2	2645	Guarantee deposits received	<u>77,784</u>	<u>-</u>	<u>70,681</u>	<u>-</u>	<u>80,449</u>	<u>-</u>
1840	Deferred tax assets	12,664	-	12,430	-	17,024	-		Total liabilities	<u>50,694,063</u>	<u>62</u>	<u>47,634,970</u>	<u>61</u>	<u>44,407,626</u>	<u>60</u>
1932	Long-term accounts receivable (Notes 6(e) and (aa))	6,617,338	8	5,867,118	8	6,119,905	8	Equity attributable to owners of parent (Note 6(y)):							
1990	Other non-current assets, others (Note 6(f))	841,898	1	676,513	1	656,177	1	3100	Capital stock	8,232,160	10	8,232,160	11	8,232,160	11
		<u>30,550,703</u>	<u>37</u>	<u>32,077,992</u>	<u>41</u>	<u>30,519,455</u>	<u>42</u>	3200	Capital surplus	6,823,178	8	6,817,198	9	6,817,198	10
								3300	Retained earnings	9,984,557	12	10,469,230	13	9,562,203	13
								3400	Other equity	<u>2,930,270</u>	<u>4</u>	<u>1,833,549</u>	<u>2</u>	<u>914,823</u>	<u>1</u>
										<u>27,970,165</u>	<u>34</u>	<u>27,352,137</u>	<u>35</u>	<u>25,526,384</u>	<u>35</u>
								36XX	Non-controlling interests (Note 6(j))	<u>3,143,300</u>	<u>4</u>	<u>3,423,565</u>	<u>4</u>	<u>3,593,523</u>	<u>5</u>
									Total equity	<u>31,113,465</u>	<u>38</u>	<u>30,775,702</u>	<u>39</u>	<u>29,119,907</u>	<u>40</u>
Total assets		<u>\$ 81,807,528</u>	<u>100</u>	<u>78,410,672</u>	<u>100</u>	<u>73,527,533</u>	<u>100</u>	Total liabilities and equity		<u>\$ 81,807,528</u>	<u>100</u>	<u>78,410,672</u>	<u>100</u>	<u>73,527,533</u>	<u>100</u>

See accompanying notes to financial statements.

(English Translation of Consolidated Financial Statements and Report Originally Issued in Chinese)

CONTINENTAL HOLDINGS CORPORATION AND SUBSIDIARIES**Consolidated Statements of Comprehensive Income****For the six months ended June 30, 2024 and 2023****(Expressed in Thousands of New Taiwan Dollars , Except for Earnings Per Common Share)**

	For the three months ended June 30				For the six months ended June 30			
	2024		2023		2024		2023	
	Amount	%	Amount	%	Amount	%	Amount	%
4000 Operating revenues (Notes (aa) and 7)	\$ 8,684,012	100	8,100,104	100	\$ 14,844,961	100	14,769,387	100
5000 Operating costs (Notes 6(g), (w), 7 and 12)	7,369,228	85	6,860,490	85	12,967,625	87	12,679,648	86
Gross profit from operations	<u>1,314,784</u>	<u>15</u>	<u>1,239,614</u>	<u>15</u>	<u>1,877,336</u>	<u>13</u>	<u>2,089,739</u>	<u>14</u>
Operating expenses (Notes 6(s), (w), (ab), 7 and 12):								
6100 Selling expenses	144,405	2	105,369	1	223,332	2	192,617	1
6200 Administrative expenses	436,262	5	415,995	5	857,883	6	777,595	5
	<u>580,667</u>	<u>7</u>	<u>521,364</u>	<u>6</u>	<u>1,081,215</u>	<u>8</u>	<u>970,212</u>	<u>6</u>
Net operating income	<u>734,117</u>	<u>8</u>	<u>718,250</u>	<u>9</u>	<u>796,121</u>	<u>5</u>	<u>1,119,527</u>	<u>8</u>
Non-operating income and expenses (Notes 6(ac) and 7):								
7100 Interest income	29,889	-	27,145	-	49,750	-	48,821	-
7010 Other income	64,361	1	70,384	1	70,570	-	96,264	1
7020 Other gains and losses, net	21,064	-	(63,440)	(1)	79,580	1	(96,742)	(1)
7050 Finance costs, net(Notes 6(g) and 6(s))	(182,474)	(2)	(187,054)	(2)	(364,482)	(2)	(419,570)	(3)
7060 Share of profit (losses) of associates and joint ventures accounted for using equity method (Note 6(h))	(3,491)	-	7,263	-	1,391	-	24,716	-
	<u>(70,651)</u>	<u>(1)</u>	<u>(145,702)</u>	<u>(2)</u>	<u>(163,191)</u>	<u>(1)</u>	<u>(346,511)</u>	<u>(3)</u>
7900 Income before tax	663,466	7	572,548	7	632,930	4	773,016	5
7950 Less: Income tax expenses (Note 6(x))	99,507	1	85,024	1	186,018	1	162,405	1
Net income	<u>563,959</u>	<u>6</u>	<u>487,524</u>	<u>6</u>	<u>446,912</u>	<u>3</u>	<u>610,611</u>	<u>4</u>
8300 Other comprehensive income:								
8310 Items that will not be reclassified to profit or loss								
8316 Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	384,689	4	287,234	4	910,429	6	394,946	3
8317 Gains on hedging instrument	(16,501)	-	(9,161)	-	(40,839)	-	(7,410)	-
8349 Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	-	-	-	-	-	-	-	-
Components of other comprehensive income that will not be reclassified to profit or loss	<u>368,188</u>	<u>4</u>	<u>278,073</u>	<u>4</u>	<u>869,590</u>	<u>6</u>	<u>387,536</u>	<u>3</u>
8360 Items that will be reclassified to profit or loss								
8361 Exchange differences on translation of foreign financial statements	82,849	1	168,782	2	336,831	2	125,394	1
8399 Income tax related to components of other comprehensive income that will be reclassified to profit or loss	-	-	-	-	-	-	-	-
Components of other comprehensive income that will be reclassified to profit or loss	<u>82,849</u>	<u>1</u>	<u>168,782</u>	<u>2</u>	<u>336,831</u>	<u>2</u>	<u>125,394</u>	<u>1</u>
8300 Other comprehensive income	<u>451,037</u>	<u>5</u>	<u>446,855</u>	<u>6</u>	<u>1,206,421</u>	<u>8</u>	<u>512,930</u>	<u>4</u>
Total comprehensive income	<u>\$ 1,014,996</u>	<u>11</u>	<u>934,379</u>	<u>12</u>	<u>\$ 1,653,333</u>	<u>11</u>	<u>1,123,541</u>	<u>8</u>
Net income, attributable to:								
8610 Owners of parent	\$ 653,552	7	576,157	7	\$ 750,151	6	790,097	5
8620 Non-controlling interests	(89,593)	(1)	(88,633)	(1)	(303,239)	(3)	(179,486)	(1)
	<u>\$ 563,959</u>	<u>6</u>	<u>487,524</u>	<u>6</u>	<u>\$ 446,912</u>	<u>3</u>	<u>610,611</u>	<u>4</u>
Total comprehensive income attributable to:								
8710 Owners of parent	\$ 1,078,585	12	967,239	12	\$ 1,846,872	12	1,261,500	9
8720 Non-controlling interests	(63,589)	(1)	(32,860)	-	(193,539)	(1)	(137,959)	(1)
	<u>\$ 1,014,996</u>	<u>11</u>	<u>934,379</u>	<u>12</u>	<u>\$ 1,653,333</u>	<u>11</u>	<u>1,123,541</u>	<u>8</u>
Earnings per share (Note 6(z))								
9750 Basic earnings per share (NT dollars)	<u>\$ 0.79</u>		<u>0.70</u>		<u>0.91</u>		<u>0.96</u>	
9850 Diluted earnings per share (NT dollars)	<u>\$ 0.79</u>		<u>0.70</u>		<u>0.91</u>		<u>0.96</u>	

See accompanying notes to financial statements.

(English Translation of Consolidated Financial Statements and Report Originally Issued in Chinese)

CONTINENTAL HOLDINGS CORPORATION AND SUBSIDIARIES**Consolidated Statements of Changes in Equity****For the six months ended June 30, 2024 and 2023****(Expressed in Thousands of New Taiwan Dollars)**

	Equity attributable to owners of parent						Total other equity					Non-controlling interests	Total equity
	Capital stock		Retained earnings				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		
	Common Stock	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Total							
Balance at January 1, 2023	\$ 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	3,058,525	29,381,449
Net income	-	-	-	-	790,097	790,097	-	-	-	-	790,097	(179,486)	610,611
Other comprehensive income (loss)	-	-	-	-	-	-	83,867	394,946	(7,410)	471,403	471,403	41,527	512,930
Total comprehensive income (loss)	-	-	-	-	790,097	790,097	83,867	394,946	(7,410)	471,403	1,261,500	(137,959)	1,123,541
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	-	-	-	-	-	-	-	-	-	-	-	672,957	672,957
Balance at June 30, 2023	\$ 8,232,160	6,817,198	1,419,731	2,262,233	5,880,239	9,562,203	(611,283)	1,535,065	(8,959)	914,823	25,526,384	3,593,523	29,119,907
Balance at January 1, 2024	\$ 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	3,423,565	30,775,702
Net income	-	-	-	-	750,151	750,151	-	-	-	-	750,151	(303,239)	446,912
Other comprehensive income (loss)	-	-	-	-	-	-	227,131	910,429	(40,839)	1,096,721	1,096,721	109,700	1,206,421
Total comprehensive income (loss)	-	-	-	-	750,151	750,151	227,131	910,429	(40,839)	1,096,721	1,846,872	(193,539)	1,653,333
Appropriation and distribution of retained earnings:													
Legal reserve appropriated	-	-	169,713	-	(169,713)	-	-	-	-	-	-	-	-
Cash dividends	-	-	-	-	(1,234,824)	(1,234,824)	-	-	-	-	(1,234,824)	-	(1,234,824)
Reversal of special reserve	-	-	-	(1,355,143)	1,355,143	-	-	-	-	-	-	-	-
Changes in ownership interests in subsidiaries	-	5,980	-	-	-	-	-	-	-	-	5,980	(5,980)	-
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(80,746)	(80,746)
Balance at June 30, 2024	\$ 8,232,160	6,823,178	1,589,444	907,090	7,488,023	9,984,557	(446,221)	3,437,873	(61,382)	2,930,270	27,970,165	3,143,300	31,113,465

See accompanying notes to financial statements.

(English Translation of Consolidated Financial Statements and Report Originally Issued in Chinese)

CONTINENTAL HOLDINGS CORPORATION AND SUBSIDIARIES**Consolidated Statements of Cash Flows****For the six months ended June 30, 2024 and 2023****(Expressed in Thousands of New Taiwan Dollars)**

	For the six months ended June 30	
	2024	2023
Cash flows from operating activities:		
Income before tax	\$ 632,930	773,016
Adjustments:		
Adjustments to reconcile profit and loss:		
Depreciation expense	282,698	238,855
Amortization expense	36,304	34,374
Interest expense	364,121	419,208
Interest income	(49,750)	(48,821)
Dividend income	(49,259)	(49,025)
Amortization of issuance costs on bonds payable	361	362
Share of gain of associates and joint ventures accounted for using equity method	(1,391)	(24,716)
Gain on disposal of property, plant and equipment	(298)	-
Loss (gain) on disposal of property, plant and equipment (under construction costs)	(60,820)	70
Gain on disposal of investment properties	(57,534)	-
Warranty provisions recognition (write-off)	(64,823)	(143,042)
Gain on reversal of estimated account payable	(82)	-
Total adjustments to reconcile profit and loss	<u>399,527</u>	<u>427,265</u>
Changes in operating assets and liabilities:		
Changes in operating assets:		
Contract assets	255,656	612,867
Notes receivable	136	10,396
Accounts receivable	14,103	(385,409)
Other receivables	(275,558)	(77,650)
Inventories	(1,627,361)	(380,454)
Prepayments	(507,682)	(383,106)
Other current assets	(1,432,546)	(203,118)
Current assets recognised as incremental costs to obtain contract with customers	24,118	33,725
Total changes in operating assets	<u>(3,549,134)</u>	<u>(772,749)</u>
Changes in operating liabilities:		
Contract liabilities	2,922,672	(126,993)
Notes and accounts payable	(296,098)	26,503
Other payables	(128,048)	(219,577)
Provisions	(8,499)	(7,547)
Receipts in advance	35,012	41,364
Other current liabilities	60,786	14,631
Net defined benefit liability	(2,403)	(4,705)
Total changes in operating liabilities	<u>2,583,422</u>	<u>(276,324)</u>
Total changes in operating assets and liabilities	<u>(965,712)</u>	<u>(1,049,073)</u>
Total adjustments	<u>(566,185)</u>	<u>(621,808)</u>
Cash outflow generated from operations	66,745	151,208
Interest received	43,149	44,542
Interest paid	(461,296)	(444,272)
Income taxes paid	(252,370)	(118,965)
Net cash flows used in operating activities	<u>(603,772)</u>	<u>(367,487)</u>

See accompanying notes to financial statements.

(English Translation of Consolidated Financial Statements and Report Originally Issued in Chinese)

CONTINENTAL HOLDINGS CORPORATION AND ITS SUBSIDIARIES**Consolidated Statements of Cash Flows(CONT'D)****For the six months ended June 30, 2024 and 2023****(Expressed in Thousands of New Taiwan Dollars)**

	For the six months ended June 30	
	2024	2023
Cash flows from investing activities:		
Acquisition of financial assets for hedging	(332,001)	(83,743)
Disposal of financial assets for hedging	272,761	1,354,906
Price of associates acquisition	(51,940)	-
Acquisition of property, plant and equipment	(161,094)	(68,153)
Disposal of property, plant and equipment	61,919	4
Increase in other receivables	-	(5,431)
Increase in non-current other receivables	(150,219)	(31,753)
Acquisition of intangible assets	(1,100,302)	(41,636)
Disposal of investment properties	62,850	-
Decrease in other financial assets	1,018,499	1,262,652
Other non-current assets	(8,194)	(5,776)
Prepayments for business facilities	(66,043)	(129,336)
Dividends received	51,660	76,176
Net cash flows (used in) from investing activities	(402,104)	2,327,910
Cash flows from financing activities:		
Increase in short-term borrowings	25,139,614	19,227,425
Decrease in short-term borrowings	(22,096,405)	(22,008,997)
Increase in short-term notes and bills payable	2,580,000	2,108,000
Decrease in short-term notes and bills payable	(3,130,000)	(1,808,000)
Increase in long-term borrowings	5,055,500	2,693,813
Decrease in long-term borrowings	(6,916,515)	(2,442,029)
Increase in guarantee deposits received	7,103	-
Decrease in guarantee deposits received	-	(49,557)
Other payables	26,997	22,735
Payment of lease liabilities	(38,224)	(38,135)
Cash dividends paid	(14,776)	-
Change in non-controlling interests	(31,561)	740,969
Net cash flows from (used in) financing activities	581,733	(1,553,776)
Effect of exchange rate changes on cash and cash equivalents	27,574	643
Net (decrease) increase in cash and cash equivalents	(396,569)	407,290
Cash and cash equivalents at beginning of year	6,878,141	5,822,416
Cash and cash equivalents at end of year	\$ 6,481,572	6,229,706

See accompanying notes to financial statements.

(English Translation of Consolidated Financial Statements and Report Originally Issued in Chinese)

CONTINENTAL HOLDINGS CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

For the six months ended June 30, 2024 and 2023

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

(1) Company history

CONTINENTAL HOLDINGS CORPORATION (“CHC” or “the Company”) was established through shares exchange with Continental Engineering Corp. (“CEC”) on April 8, 2010 and CEC became 100% - owned by the Company. On the same day, the Company was approved to be a listed Company by the FSC. The consolidated financial statements as of June 30, 2024 consist of the Company and all of its subsidiaries (“the Group”), and the interests in a jointly controlled entities and associates. Please refer to Note 14 for the Group’s main businesses.

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

The consolidated financial statements were approved and authorized for issue by the Board of Directors on July 31, 2024.

(3) New standards, amendments and interpretations adopted

- (a) The impact of the IFRS Accounting Standards endorsed by the Financial Supervisory Commission, R.O.C. which have already been adopted.

The Group has initially adopted the following new amendments, which do not have a significant impact on its consolidated financial statements, from January 1, 2024:

- Amendments to IAS 1 “Classification of Liabilities as Current or Non-current”
- Amendments to IAS 1 “Non-current Liabilities with Covenants”
- Amendments to IAS 7 and IFRS 7 “Supplier Finance Arrangements”
- Amendments to IFRS 16 “Lease Liability in a Sale and Leaseback”

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

The Group assesses that the adoption of the following new amendments, effective for annual period beginning on January 1, 2025, would not have a significant impact on its consolidated financial statements:

- Amendments to IAS21 “Lack of Exchangeability”

(Continued)

CONTINENTAL HOLDINGS CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

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

The following new and amended standards, which may be relevant to the Group, have been issued by the International Accounting Standards Board (IASB), but have yet to be endorsed by the FSC:

Standards or Interpretations	Content of amendment	Effective date per IASB
IFRS 18 “Presentation and Disclosure in Financial Statements”	<p>The new standard introduces three categories of income and expenses, two income statement subtotals and one single note on management performance measures. The three amendments, combined with enhanced guidance on how to disaggregate information, set the stage for better and more consistent information for users, and will affect all the entities.</p> <ul style="list-style-type: none"> ● A more structured income statement: under current standards, companies use different formats to present their results, making it difficult for investors to compare financial performance across companies. The new standard promotes a more structured income statement, introducing a newly defined ‘operating profit’ subtotal and a requirement for all income and expenses to be allocated between three new distinct categories based on a company’s main business activities. ● Management performance measures (MPMs): the new standard introduces a definition for management performance measures, and requires companies to explain in a single note to the financial statements why the measure provides useful information, how it is calculated and reconcile it to an amount determined under IFRS Accounting Standards. ● Greater disaggregation of information: the new standard includes enhanced guidance on how companies group information in the financial statements. This includes guidance on whether information is included in the primary financial statements or is further disaggregated in the notes. 	January 1, 2027

(Continued)

CONTINENTAL HOLDINGS CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Standards or Interpretations	Content of amendment	Effective date per IASB
Annual Improvements to IFRS Accounting Standards—Volume 11	<p>The amendments set out:</p> <ol style="list-style-type: none"> 1. IFRS 1 “ First-time Adoption of International Financial Reporting Standards”: <p>The amendments address a potential confusion arising from an inconsistency in wording between paragraph B6 of IFRS 1 and requirements for hedge accounting in IFRS 9 Financial Instruments.</p> 2. IFRS 7 “ Financial Instruments: Disclosures”: <p>The amendments address a potential confusion in IFRS 7 arising from an obsolete reference to a paragraph that was deleted from the standard when IFRS 13 Fair Value Measurement was issued.</p> 3. IFRS 9 “Financial Instruments”: <ul style="list-style-type: none"> ● Derecognition of a lease liability <p>The IASB’s amendment states that if a lease liability is derecognized, then the derecognition will be accounted for under IFRS 9, (i.e. the difference between the carrying amount and the consideration paid is recognized in profit or loss). However, when a lease liability is modified, the modification will be accounted for under IFRS 16 Leases.</p> ● Transaction price <p>The amendments require companies to initially measure a trade receivable without a significant financing component at the amount determined by applying IFRS 15 Revenue from Contracts with Customers. The amendments remove the conflict between IFRS 9 and IFRS 15 over the amount at which a trade receivable is initially measured.</p> 	January 1, 2026

(Continued)

CONTINENTAL HOLDINGS CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Standards or Interpretations	Content of amendment	Effective date per IASB
	4. IFRS 10 “ Consolidated Financial Statements”: The amendments clarify the determination of a ‘de facto agent’.	
	5. IAS 7 “Statement of Cash Flows”: The amendments address a potential confusion in applying paragraph 37 of IAS 7 that arises from the use of the term ‘cost method’.	

The Group is evaluating the impact on its consolidated financial position and consolidated financial performance upon the initial adoption of the abovementioned standards or interpretations. The results thereof will be disclosed when the Group completes its evaluation.

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

- Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture”
- IFRS 17 “ Insurance Contracts” and amendments to IFRS 17 “ Insurance Contracts”
- IFRS 19 “Subsidiaries without Public Accountability: Disclosures”
- Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments”

(4) Summary of material accounting policies:

(a) Statement of compliance

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

Except for the following, the significant accounting policies adopted in the consolidated financial statements are the same as those in the consolidated financial statement for the year ended December 31, 2023. For the related information, please refer to Note 4 of the consolidated financial statements for the year ended December 31, 2023.

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CONTINENTAL HOLDINGS CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(b) Basis of consolidation

(i) Subsidiaries included in the consolidated financial statements

Investor Company	Subsidiary	Main Business	Percentage of ownership			Note
			June 30, 2024	December 31, 2023	June 30, 2023	
The Company and CCLC	Continental Engineering Corp. (CEC)	Civil, Building and M&E engineering	100.00 %	100.00 %	100.00 %	
The Company and CCLC	Continental Development Corp. (CDC)	Real estate development on residential, commercial, hotels and communities	100.00 %	100.00 %	100.00 %	
The Company and CCLC	HDEC Corp. (HDEC)	Environmental project development & Water treatment	100.00 %	100.00 %	100.00 %	Note H
The Company	Continental Consulting Limited Company (CCLC)	Management Consulting	100.00 %	100.00 %	100.00 %	Note G
CEC	CEC International Corp. (CIC)	Investment and holding	100.00 %	100.00 %	100.00 %	Note G
CEC	CEC International Corp. (India) Private Limited (CICI)	Civil and Building engineering	100.00 %	100.00 %	100.00 %	Note G
CEC	CEC International Malaysia Sdn. Bhd. (CIMY)	Civil and Building engineering	85.14 %	85.14 %	85.14 %	Note G
CEC	Continental Engineering Corporation(Hong Kong) Limited (CEC HK)	Civil and Building engineering	100.00 %	100.00 %	100.00 %	Note G
CDC	CDC Commercial Development Corp. (CCD)	Real estate lease	80.65 %	80.65 %	80.65 %	Note G
CDC	MEGA Capital Development Sdn. Bhd. (MEGA)	Real estate development on hotels	55.00 %	55.00 %	55.00 %	Note G
CDC	Bangsar Rising Sdn. Bhd. (BANGSAR)	Real estate development on residential	60.00 %	60.00 %	60.00 %	Note G
CDC	CDC Asset Management Malaysia Sdn. Bhd. (CDCAM)	Management consulting	100.00 %	100.00 %	100.00 %	Note G
CDC	CDC US Corp.	Investment and holding	100.00 %	100.00 %	100.00 %	Note G
CDC US Corp.	CDC Investment Management LLC	Investment management	100.00 %	100.00 %	100.00 %	Note G
CDC US Corp.	Trimosa Holdings LLC	Investment and holding	70.88 %	70.65 %	70.65 %	Note G and I
Trimosa Holdings LLC	950 Investment LLC	Investment and holding	77.22 %	76.55 %	76.55 %	Note G and J
950 Investment LLC	950 Property LLC (950P)	Real estate development on residential	100.00 %	100.00 %	100.00 %	Note G
950 Investment LLC	950 Hotel Property LLC (950H)	Hotel industry	100.00 %	100.00 %	100.00 %	Note G
950 Investment LLC	950 Retail Property LLC	Real estate lease and management	100.00 %	100.00 %	100.00 %	Note G
950 Hotel Property LLC	950 F&B LLC	Liquor sale	100.00 %	100.00 %	100.00 %	Note G
HDEC	HDEC Construction Corp. (SDC)	Construction of underground pipeline and environmental protection project, plumbing	100.00 %	100.00 %	100.00 %	Note G
HDEC	North Shore Environment Corp. (NSC)	Sewer system design and construction in Danshui area, New Taipei City	100.00 %	100.00 %	100.00 %	Note A and H
HDEC	Blue Whale Water Technologies Corp. (BWC)	Feng Shan River wastewater reclamation and reuse BTO project in Kaohsiung City	51.00 %	51.00 %	51.00 %	Note B and G
HDEC	HDEC (Puding) Environment Corp. (PDC)	Pu Ding area sewerage construction in Taoyuan City	100.00 %	100.00 %	100.00 %	Note C and G

(Continued)

CONTINENTAL HOLDINGS CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Investor Company	Subsidiary	Main Business	Percentage of ownership			Note
			June 30, 2024	December 31, 2023	June 30, 2023	
HDEC	HDEC-CTCI (Linhai) Corp. (LHC)	Linhai wastewater reclamation and reuse BTO project in Kaohsiung City	55.00 %	55.00 %	55.00 %	Note D and G
HDEC	HDEC(Ciaotou) Corp. (CTC)	Ciaotou wastewater reclamation and reuse BTO project in Kaohsiung City	100.00 %	100.00 %	100.00 %	Note E and G
HDEC	HDEC(Chengxi) Corp. (CXC)	Aninan area incineration plant renewal in Tainan City	100.00 %	100.00 %	100.00 %	Note F and G

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

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

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

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

Note E: CTC was founded as a SPC to perform the contract for Kaohsiung Ciaotou water recycling, which is a BTO project in Kaohsiung City. Upon the completion of the water recycling plant, CTC will transfer all the operating assets to the authority and be engaged by the authority to operate the water recycling plant. CTC will transfer the operating rights to the authority without condition at the end of the operating period.

Note F: CXC was founded as a SPC in accordance with the investment contract for the BOT of the Tainan Chengxi area waste incineration plant. The Chengxi area waste incineration plant will be transferred to the authority at the end of the concession period without condition.

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

Note H: Starting from the first quarter of 2024, the company has been reviewed by independent auditors.

Note I: In the first quarter of 2024, the Group participated in the cash capital increase of the company not in proportion with its original shareholding percentage, resulting in its equity ownership to increase from 70.65% to 70.88%.

(Continued)

CONTINENTAL HOLDINGS CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Note J: In the first quarter of 2024, the Group participated in the cash capital increase of the company not in proportion with its original shareholding percentage, resulting in its equity ownership to increase from 76.55% to 77.22%.

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

(c) Employee benefits

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

(d) Classification of current and non-current assets and liabilities

The Group classifies the asset as current under one of the following criteria, and all other assets are classified as non current.

- (i) It expects to realize the asset, or intends to sell or consume it, in its normal operating cycle;
- (ii) It holds the asset primarily for the purpose of trading;
- (iii) It expects to realize the asset within twelve months after the reporting period; or
- (iv) The asset is cash or a cash equivalent (as defined in IAS 7) unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

The Group classifies the liability as current under one of the following criteria, and all other liabilities are classified as non current.

- (i) It expects to settle the liability in its normal operating cycle;
- (ii) It holds the liability primarily for the purpose of trading
- (iii) The liability is due to be settled within twelve months after the reporting period; or
- (iv) It does not have the right at the end of the reporting period to defer settlement of the liability for at least twelve months after the reporting period.

(e) Income taxes

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

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

(Continued)

CONTINENTAL HOLDINGS CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

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

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

The preparation of the consolidated financial statements, estimates and underlying assumptions are consistent with the consolidated financial statements for the year ended December 31, 2023. For the related information, please refer to Note 5 of the consolidated financial statements for the year ended December 31, 2023.

(6) Explanation of significant accounts

Except for the following disclosures, there were no significant differences in the disclosures of significant accounts between the consolidated financial statements for the consolidated financial statements for the year ended December 31, 2023. Please refer to Note 6 for the related information of the consolidated financial statements for the year ended December 31, 2023.

(a) Cash and cash equivalents

	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
Cash	\$ 24,045	24,423	21,874
Cash in banks	3,787,786	4,058,965	4,159,608
Cash in transit	-	-	42
Time deposits	1,433,702	1,536,389	1,748,509
Cash equivalents	<u>1,236,039</u>	<u>1,258,364</u>	<u>299,673</u>
	<u>\$ 6,481,572</u>	<u>6,878,141</u>	<u>6,229,706</u>

(i) The cash and cash equivalents were not pledged as collateral.

(ii) Please refer to Note 8 for the time deposits in pledge and restricted bank deposits reclassified to other current assets.

(iii) Please refer to Note 6(ad) for the sensitivity analysis and interest rate risk of financial assets and liabilities.

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

	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
Mandatorily measured at fair value through profit or loss:			
Non-derivative financial assets			
Stocks of unlisted company	<u>\$ 1,068,858</u>	<u>1,068,858</u>	<u>1,068,858</u>

(Continued)

CONTINENTAL HOLDINGS CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

- (i) The aforementioned financial assets were not pledged as collateral.
- (ii) Please refer to note 6(ad) for the credit risk and market risk.
- (c) Financial assets at fair value through other comprehensive income

	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
Equity investments at fair value through other comprehensive income:			
Listed common share – Evergreen Steel Corp.	\$ 3,577,603	2,667,174	1,718,275
Unlisted common share – Xinrong Enterprise	700,770	700,770	657,982
Unlisted common share – Metro Consulting Service Ltd.	<u>3,690</u>	<u>3,690</u>	<u>2,998</u>
Total	<u>\$ 4,282,063</u>	<u>3,371,634</u>	<u>2,379,255</u>

- (i) The Group designated the investments shown above as equity securities as at fair value through other comprehensive income because these equity securities represent those investments that the Group intends to hold for long-term for strategic purposes.
- (ii) The Group recognized the dividends revenue of \$49,259 thousand and \$49,025 thousand related to equity investments designated at fair value through other comprehensive income for the six months ended June 30, 2024 and 2023.
- (iii) There were no disposals of strategic investments and transfers of any cumulative gain or loss within equity relating to these investments for the six months ended June 30, 2024 and 2023.
- (iv) The aforementioned financial assets were not pledged as collateral.
- (v) Please refer to note 6(ad) for the credit risk and market risk.
- (d) Financial instruments used for hedging

	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
Cash flow hedge:			
Financial assets used for hedging	\$ 90,215	28,839	30,880
Financial liabilities used for hedging	<u>(62,419)</u>	<u>(19,444)</u>	<u>(9,769)</u>
Total	<u>\$ 27,796</u>	<u>9,395</u>	<u>21,111</u>

(Continued)

CONTINENTAL HOLDINGS CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

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

<u>Item Hedged</u>	<u>Hedge instrument</u>	<u>Hedge instrument designated to be hedge and fair value</u>			<u>Expected Cash flow Period</u>
		<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>	
Expected foreign assets	Foreign deposits	\$ <u>89,178</u>	<u>29,938</u>	<u>30,070</u>	2024~2025
	Change in value of Foreign currency	\$ <u>1,037</u>	<u>(1,099)</u>	<u>810</u>	

<u>Item Hedged</u>	<u>Hedge instrument</u>	<u>Hedge instrument designated to be hedge and fair value</u>			<u>Contract amount (National principal)</u>	<u>Delivery date</u>
		<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>		
Expected foreign liabilities	Forward exchange	\$ <u>(62,419)</u>	<u>(19,444)</u>	<u>(9,769)</u>	JPY 3,229,500	2024.11~2025.03

- (iii) The transactions of cash flow hedges for the six months ended June 30, 2024 and 2023, were all effective.

- (e) Notes and accounts receivable

	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
Notes receivable	\$ 548	684	1,691
Accounts receivable	2,186,465	2,987,278	2,206,784
Long-term accounts receivable	6,617,338	5,867,118	6,119,905
Less: Allowance for bad debts	-	-	-
	<u>\$ 8,804,351</u>	<u>8,855,080</u>	<u>8,328,380</u>

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

(Continued)

CONTINENTAL HOLDINGS CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	June 30, 2024		
	Gross carrying amount	Weighted- average loss rate	Loss allowance provision
Not overdue	\$ 8,597,729	-	-
Pass due less than one year	149,460	-	-
Pass due over one year	57,162	-	-
	\$ 8,804,351		-
	December 31, 2023		
	Gross carrying amount	Weighted- average loss rate	Loss allowance provision
Not overdue	\$ 8,769,062	-	-
Pass due less than one year	31,738	-	-
Pass due over one year	54,280	-	-
	\$ 8,855,080		-
	June 30, 2023		
	Gross carrying amount	Weighted- average loss rate	Loss allowance provision
Not overdue	\$ 8,167,233	-	-
Pass due less than one year	105,338	-	-
Pass due over one year	55,809	-	-
	\$ 8,328,380		-

The notes and accounts receivable were not pledged as collateral.

(f) Other receivables

	June 30, 2024	December 31, 2023	June 30, 2023
Other receivables – lending of capital (including other non-current assets)	\$ 828,253	678,034	562,699
Other receivables – lawsuit	402,072	150,630	150,630
Other receivables – related parties	52,787	2,895	28,089
Other (including other non-current assets)	238,847	198,137	220,705
Less: Allowance for bad debts	-	-	-
	\$ 1,521,959	1,029,696	962,123

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

(Continued)

CONTINENTAL HOLDINGS CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(g) Inventories

	<u>June 30,</u> <u>2024</u>	<u>December 31,</u> <u>2023</u>	<u>June 30,</u> <u>2023</u>
Hotel:			
Catering	\$ <u>7,492</u>	<u>6,032</u>	<u>6,284</u>
Real estate:			
Real estate held for sale	10,937,653	11,070,517	11,211,673
Land held for development	2,671,871	5,682,236	6,017,923
Building construction in progress	17,129,290	8,626,658	7,475,700
Prepayment for land	<u>47,286</u>	<u>47,254</u>	<u>-</u>
Subtotal	30,786,100	25,426,665	24,705,296
Less: Allowance for impairment loss	<u>(555,000)</u>	<u>(228,056)</u>	<u>(95,582)</u>
	<u>\$ 30,238,592</u>	<u>25,204,641</u>	<u>24,615,998</u>

- (i) For the three months and six months ended June 30, 2024 and 2023, the details of the cost of inventory were as follows:

	<u>For the three months ended</u> <u>June 30</u>		<u>For the six months ended</u> <u>June 30</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Inventory that has been sold	\$ 1,548,550	1,419,598	1,779,893	2,587,110
Write-down of inventories	-	-	309,550	-
Effect in exchange rates	<u>4,463</u>	<u>-</u>	<u>4,463</u>	<u>-</u>
Total	<u>\$ 1,553,013</u>	<u>1,419,598</u>	<u>2,093,906</u>	<u>2,587,110</u>

- (ii) Capitalizing interest costs were as follows:

	<u>For the three months ended</u> <u>June 30</u>		<u>For the six months ended</u> <u>June 30</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Interest costs	\$ <u>229,287</u>	<u>208,969</u>	<u>447,628</u>	<u>461,219</u>
Capitalized interests	<u>\$ 44,422</u>	<u>21,915</u>	<u>79,543</u>	<u>41,649</u>
Capitalization interest rate	<u>2.1963%~6.46%</u>	<u>1.9597%~6.24%</u>	<u>2.2104%~6.59%</u>	<u>2.0052%~6.24%</u>

- (iii) Please refer to Note 8 for the inventories of the Group had been pledged as collateral.
- (iv) According to the agreement on investment, the Group subsidiary in the United States used its inventory to offset USD\$7,320 thousand of the accounts payable of the joint development investor as of February, 2023.

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CONTINENTAL HOLDINGS CORPORATION AND SUBSIDIARIES
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(h) Investments accounted for using equity method

	June 30, 2024	December 31, 2023	June 30, 2023
Associates	<u>\$ 1,600,044</u>	<u>1,598,373</u>	<u>1,591,703</u>

(i) Associates

The Group's significant associates were as follows:

Name of associates	Nature of Relationship with the Group	Main operating location/Registered Country of the Company	Percentage of ownership or voting power		
			June 30, 2024	December 31, 2023	June 30, 2023
CTCI - HDEC (Chungli) Corp. (CTCI - HDEC)	SPC, mainly responsible for the sewerage system BOT project in Chung-Li area, Taoyuan City.	Taiwan	49.00 %	49.00 %	49.00 %
Fanlu Construction Industry Co., Ltd. (Fanlu)	Real estate	Taiwan	35.00 %	35.00 %	35.00 %

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

1) Summary of CTCI - HDEC's financial figures

	June 30, 2024	December 31, 2023	June 30, 2023
Current assets	\$ 602,094	381,226	359,178
Non-current assets	3,058,805	2,659,077	2,485,910
Current liabilities	(640,993)	(521,351)	(933,744)
Non-current liabilities	(1,284,167)	(842,281)	(278,567)
Net assets	<u>\$ 1,735,739</u>	<u>1,676,671</u>	<u>1,632,777</u>
	For the three months ended June 30	For the six months ended June 30	
	2024	2023	2024
Revenues	<u>\$ 136,018</u>	<u>246,049</u>	<u>391,877</u>
Net income / Total comprehensive income	<u>\$ 22,510</u>	<u>27,758</u>	<u>58,496</u>
		<u>73,250</u>	

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CONTINENTAL HOLDINGS CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	For the three months ended		For the six months ended	
	June 30		June 30	
	2024	2023	2024	2023
Net assets attributable to the Group, beginning balance	\$ 839,202	813,610	821,569	791,319
Additions	51,940	-	51,940	-
Dividend	(51,660)	(27,151)	(51,660)	(27,151)
Total comprehensive income attributable to the Group	11,030	13,602	28,663	35,893
Net assets attributable to the Group, ending balance	<u>\$ 850,512</u>	<u>800,061</u>	<u>850,512</u>	<u>800,061</u>

2) Summary of Fanlu's financial figures

	June 30,	December 31,	June 30,
	2024	2023	2023
Current assets	\$ 7,397,105	6,958,558	6,119,664
Non-current assets	122,909	21,404	3,027
Current liabilities	(5,378,439)	(650,469)	(630,805)
Non-current liabilities	-	(4,110,000)	(3,230,000)
Net assets	<u>\$ 2,141,575</u>	<u>2,219,493</u>	<u>2,261,886</u>

	For the three months ended		For the six months ended	
	June 30		June 30	
	2024	2023	2024	2023
Revenues	\$ -	-	-	-
Net loss/ Total comprehensive income	<u>\$ (41,487)</u>	<u>(18,110)</u>	<u>(77,918)</u>	<u>(31,934)</u>

	For the three months ended		For the six months ended	
	June 30		June 30	
	2024	2023	2024	2023
Net assets attributable to the Group, beginning balance	\$ 764,053	797,981	776,804	802,819
Total Comprehensive income attributable to the Group	(14,521)	(6,339)	(27,272)	(11,177)
Net assets attributable to the Group, ending balance	<u>\$ 749,532</u>	<u>791,642</u>	<u>749,532</u>	<u>791,642</u>

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CONTINENTAL HOLDINGS CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

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

(i) Acquisition of non-controlling interests

In March 2024, the Group acquired the equities of Trimosa Holdings LLC Corporation and 950 Investment LLC Corporation for USD \$1,000 thousand in cash, increasing its ownership from 70.65% and 76.55% to 70.88% and 77.22%. The Group did not have any transaction with non-controlling interests between January 1 and June 30, 2023.

The effects of the changes in shareholdings were as follows:

	Amount
Carrying amount of non-controlling interest on acquisition	\$ 37,980
Consideration paid to non-controlling interests	(32,000)
	\$ 5,980
Capital surplus differences between the consideration and the carrying amounts the subsidiaries acquired	\$ 1,971
Capital Surplus – recognized as changes of ownership interests in subsidiaries	4,009
	\$ 5,980

(j) Material non-controlling interest of subsidiaries

Subsidiaries	Country of registration	Equity ownership of non-controlling interest		
		June 30, 2024	December 31, 2023	June 30, 2023
CDC US Corp. and subsidiaries	The United States	29.12 %	29.35 %	29.35 %

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

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CONTINENTAL HOLDINGS CORPORATION AND SUBSIDIARIES
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Summary of CDC US Corp. and subsidiaries' financial figures

	June 30, 2024	December 31, 2023	June 30, 2023
Current assets	\$ 4,602,992	4,821,103	5,076,259
Non-current assets	5,319,644	5,109,888	5,249,244
Current liabilities	(4,690,701)	(4,303,390)	(4,200,155)
Non-current liabilities	(129,972)	(122,981)	(131,077)
Net assets	<u>\$ 5,101,963</u>	<u>5,504,620</u>	<u>5,994,271</u>
Non-controlling interest	<u>\$ 1,871,820</u>	<u>2,117,730</u>	<u>2,300,620</u>

	For the three months ended June 30		For the six months ended June 30	
	2024	2023	2024	2023
Revenues	<u>\$ 344,098</u>	<u>204,648</u>	<u>448,406</u>	<u>269,916</u>
Net loss	\$ (231,483)	(157,012)	(716,150)	(364,512)
Other comprehensive income	-	-	-	-
Total comprehensive income	<u>\$ (231,483)</u>	<u>(157,012)</u>	<u>(716,150)</u>	<u>(364,512)</u>
Net loss attributable to non-controlling interest	<u>\$ (103,074)</u>	<u>(71,567)</u>	<u>(322,123)</u>	<u>(166,183)</u>
Total comprehensive income attributable to non-controlling interest	<u>\$ (103,074)</u>	<u>(71,567)</u>	<u>(322,123)</u>	<u>(166,183)</u>

(k) Property, plant and equipment

	Land	Buildings	Machinery	Transportation equipment	Computer equipment	Office equipment	Operating equipment	Total
Cost or deemed cost:								
Balance at January 1, 2024	\$ 2,342,257	6,878,889	1,361,207	200,455	98,792	181,660	141,827	11,205,087
Additions	-	-	115,686	12,546	2,516	27,936	2,410	161,094
Reclassification	365,248	48,122	64,949	-	5,122	1,761	-	485,202
Disposals	-	-	(240,152)	(6,545)	-	(130)	(44)	(246,871)
Effect of exchange rate changes	30,813	310,465	2,731	183	299	2,474	6,496	353,461
Balance at June 30, 2024	<u>\$ 2,738,318</u>	<u>7,237,476</u>	<u>1,304,421</u>	<u>206,639</u>	<u>106,729</u>	<u>213,701</u>	<u>150,689</u>	<u>11,957,973</u>
Balance at January 1, 2023	\$ 2,357,519	6,911,877	1,017,257	165,618	86,263	175,608	133,952	10,848,094
Additions	-	15,857	32,075	11,559	4,070	2,256	2,336	68,153
Disposals	-	-	(2,497)	(2,764)	(305)	(1,023)	-	(6,589)
Effect of exchange rate changes	(10,581)	(7,480)	775	38	44	509	(1,392)	(18,087)
Balance at June 30, 2023	<u>\$ 2,346,938</u>	<u>6,920,254</u>	<u>1,047,610</u>	<u>174,451</u>	<u>90,072</u>	<u>177,350</u>	<u>134,896</u>	<u>10,891,571</u>

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CONTINENTAL HOLDINGS CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	<u>Land</u>	<u>Buildings</u>	<u>Machinery</u>	<u>Transportation equipment</u>	<u>Computer equipment</u>	<u>Office equipment</u>	<u>Operating equipment</u>	<u>Total</u>
Depreciation and impairment loss:								
Balance at January 1, 2024	\$ -	486,207	821,700	126,549	65,409	130,441	44,547	1,674,853
Depreciation	-	85,694	114,832	10,039	5,619	8,686	13,436	238,306
Reclassification	-	23,654	-	-	-	-	-	23,654
Disposals	-	-	(240,152)	(5,779)	-	(130)	(9)	(246,070)
Effect of exchange rate changes	-	11,704	458	179	265	799	2,061	15,466
Balance at June 30, 2024	<u>\$ -</u>	<u>607,259</u>	<u>696,838</u>	<u>130,988</u>	<u>71,293</u>	<u>139,796</u>	<u>60,035</u>	<u>1,706,209</u>
Balance at January 1, 2023	\$ -	321,899	666,023	119,559	57,177	116,570	15,562	1,296,790
Depreciation	-	82,369	76,924	6,879	4,126	7,574	14,560	192,432
Disposals	-	-	(2,497)	(2,764)	(302)	(952)	-	(6,515)
Effect of exchange rate changes	-	(282)	77	36	52	124	(487)	(480)
Balance at June 30, 2023	<u>\$ -</u>	<u>403,986</u>	<u>740,527</u>	<u>123,710</u>	<u>61,053</u>	<u>123,316</u>	<u>29,635</u>	<u>1,482,227</u>
Carrying amounts:								
Balance, at January 1, 2024	<u>\$ 2,342,257</u>	<u>6,392,682</u>	<u>539,507</u>	<u>73,906</u>	<u>33,383</u>	<u>51,219</u>	<u>97,280</u>	<u>9,530,234</u>
Balance at June 30, 2024	<u>\$ 2,738,318</u>	<u>6,630,217</u>	<u>607,583</u>	<u>75,651</u>	<u>35,436</u>	<u>73,905</u>	<u>90,654</u>	<u>10,251,764</u>
Balance at June 30, 2023	<u>\$ 2,346,938</u>	<u>6,516,268</u>	<u>307,083</u>	<u>50,741</u>	<u>29,019</u>	<u>54,034</u>	<u>105,261</u>	<u>9,409,344</u>

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

(l) Right-of-use assets

	<u>Land</u>	<u>Buildings</u>	<u>Transportation equipment</u>	<u>Total</u>
Cost:				
Balance at January 1, 2024	\$ 66,620	171,365	6,463	244,448
Additions	8,898	31,933	-	40,831
Disposals	-	(21,459)	-	(21,459)
Effect of exchange rate changes	-	544	-	544
Balance at June 30, 2024	<u>\$ 75,518</u>	<u>182,383</u>	<u>6,463</u>	<u>264,364</u>
Balance at January 1, 2023	\$ 88,015	207,287	6,535	301,837
Additions	8,264	23,642	2,660	34,566
Disposals	(29,167)	(71,556)	-	(100,723)
Effect of exchange rate changes	-	(553)	-	(553)
Balance at June 30, 2023	<u>\$ 67,112</u>	<u>158,820</u>	<u>9,195</u>	<u>235,127</u>

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CONTINENTAL HOLDINGS CORPORATION AND SUBSIDIARIES
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	<u>Land</u>	<u>Buildings</u>	<u>Transportation equipment</u>	<u>Total</u>
Depreciation and impairment losses:				
Balance at January 1, 2024	\$ 33,920	71,617	2,430	107,967
Depreciation	10,077	26,515	1,044	37,636
Disposals	-	(21,242)	-	(21,242)
Effect of exchange rate changes	-	226	-	226
Balance at June 30, 2024	<u>\$ 43,997</u>	<u>77,116</u>	<u>3,474</u>	<u>124,587</u>
Balance at January 1, 2023	\$ 48,681	101,293	4,968	154,942
Depreciation	13,079	23,490	778	37,347
Disposals	(29,167)	(70,187)	-	(99,354)
Effect of exchange rate changes	-	(650)	-	(650)
Balance at June 30, 2023	<u>\$ 32,593</u>	<u>53,946</u>	<u>5,746</u>	<u>92,285</u>
Carrying amounts:				
Balance at January 1, 2024	<u>\$ 32,700</u>	<u>99,748</u>	<u>4,033</u>	<u>136,481</u>
Balance at June 30, 2024	<u>\$ 31,521</u>	<u>105,267</u>	<u>2,989</u>	<u>139,777</u>
Balance at June 30, 2023	<u>\$ 34,519</u>	<u>104,874</u>	<u>3,449</u>	<u>142,842</u>

(m) Investment properties

	<u>Owned</u>		
	<u>Land and improvements</u>	<u>Buildings</u>	<u>Total</u>
Cost or deemed cost:			
Balance at January 1, 2024	\$ 7,963,125	698,510	8,661,635
Reclassification	(5,094,303)	(61,601)	(5,155,904)
Disposals	(4,826)	(1,288)	(6,114)
Balance at June 30, 2024	<u>\$ 2,863,996</u>	<u>635,621</u>	<u>3,499,617</u>
Balance at January 1, 2023	\$ 7,963,125	1,607,322	9,570,447
Balance at June 30, 2023	<u>\$ 7,963,125</u>	<u>1,607,322</u>	<u>9,570,447</u>
Depreciation and impairment losses :			
Balance at January 1, 2024	\$ 349,356	297,046	646,402
Depreciation	-	6,756	6,756
Reclassification	-	(23,654)	(23,654)
Disposal	-	(798)	(798)
Balance at June 30, 2024	<u>\$ 349,356</u>	<u>279,350</u>	<u>628,706</u>
Balance at January 1, 2023	\$ 349,356	1,190,062	1,539,418
Depreciation	-	9,076	9,076
Balance at June 30, 2023	<u>\$ 349,356</u>	<u>1,199,138</u>	<u>1,548,494</u>

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	<u>Owned</u>		
	<u>Land and improvements</u>	<u>Buildings</u>	<u>Total</u>
Carrying amounts:			
Balance at January 1, 2024	\$ <u>7,613,769</u>	<u>401,464</u>	<u>8,015,233</u>
Balance at June 30, 2024	\$ <u>2,514,640</u>	<u>356,271</u>	<u>2,870,911</u>
Balance at June 30, 2023	\$ <u>7,613,769</u>	<u>408,184</u>	<u>8,021,953</u>
Fair value:			
Balance at June 30, 2024			\$ <u>4,759,317</u>
Balance at December 31, 2023			\$ <u>12,068,055</u>
Balance at June 30, 2023			\$ <u>11,982,620</u>

(i) Please refer to Note 8 for the investment properties had been pledged as collateral for long-term borrowings and construction guarantee.

(n) Intangible assets

	<u>Service Concession Agreements</u>			<u>Other</u>	<u>Total</u>
	<u>Goodwill</u>				
Carrying amounts:					
Balance at January 1, 2024	\$ <u>30,249</u>	<u>1,766,127</u>	<u>4,742</u>		<u>1,801,118</u>
Balance at June 30, 2024	\$ <u>30,249</u>	<u>2,830,125</u>	<u>5,012</u>		<u>2,865,386</u>
Balance at June 30, 2023	\$ <u>30,249</u>	<u>1,077,363</u>	<u>4,782</u>		<u>1,112,394</u>

(i) There were no significant additions, disposal, and recognition or reversal of impairment losses of intangible assets for the six months ended June 30, 2024 and 2023. Please refer to Note 12 for the amortization for the period. Please refer to Note 6(m) for the other related information of the consolidated financial statements for the year ended December 31, 2023.

(ii) The intangible assets were not pledged as collateral.

(o) Short-term borrowings

	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
Unsecured loans	\$ 7,184,109	5,732,996	4,985,783
Secured loans	11,939,499	10,132,695	7,065,760
	\$ <u>19,123,608</u>	<u>15,865,691</u>	<u>12,051,543</u>
Unused credit limit	\$ <u>26,632,320</u>	<u>21,104,686</u>	<u>21,280,071</u>
Range of interest rate	<u>1.905%~8.4%</u>	<u>1.78%~8.5%</u>	<u>1.80%~8.25%</u>

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

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Notes to the Consolidated Financial Statements

(p) Short-term notes and bills payable

	June 30, 2024	December 31, 2023	June 30, 2023
Bills payable	<u>\$ 250,000</u>	<u>800,000</u>	<u>736,000</u>

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

(q) Bonds payable

	June 30, 2024	December 31, 2023	June 30, 2023
Secured ordinary bonds issued	\$ 2,000,000	2,000,000	2,000,000
Unamortized discount on bonds payable	(1,084)	(1,445)	(1,806)
	<u>\$ 1,998,916</u>	<u>1,998,555</u>	<u>1,998,194</u>

(i) There were no issued, repurchased or redeemed of bonds payable for the six months ended June 30, 2024 and 2023. Please refer to Note 6(p) for the related information of the consolidated financial statements for the year ended December 31, 2023.

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

(r) Long-term borrowings

	June 30, 2024	December 31, 2023	June 30, 2023
Unsecured loans	\$ 4,307,000	4,029,000	4,113,000
Secured loans	5,340,210	7,440,690	7,574,697
Less: current portion	(800,272)	(1,269,382)	(1,431,333)
Less: sponsorship fee for the joint loan bank and Quota Establishment Fee	(9,456)	(9,762)	-
Total	<u>\$ 8,837,482</u>	<u>10,190,546</u>	<u>10,256,364</u>
Unused credit limit	<u>\$ 17,070,875</u>	<u>20,896,537</u>	<u>18,122,362</u>
Range of interest rate	<u>2.05%~7.76047%</u>	<u>1.878%~7.76047%</u>	<u>1.878%~7.60059%</u>

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

(ii) The loan agreement requires the Group to maintain certain financial ratios; please refer to Note 6(q) of the consolidated financial statements for the year ended December 31, 2023. The Group did not violate any terms in its loan agreements as of June 30, 2024, December 31 and June 30, 2023.

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CONTINENTAL HOLDINGS CORPORATION AND SUBSIDIARIES
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(s) Lease liabilities

	<u>June 30,</u> <u>2024</u>	<u>December 31,</u> <u>2023</u>	<u>June 30,</u> <u>2023</u>
Current	\$ <u>96,038</u>	<u>88,554</u>	<u>88,011</u>
Non-current	\$ <u>45,108</u>	<u>49,870</u>	<u>55,741</u>

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

The amounts recognized in profit or loss were as follows:

	<u>For the three months ended</u> <u>June 30</u>		<u>For the six months ended</u> <u>June 30</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Interest on lease liabilities	\$ <u>755</u>	<u>717</u>	<u>1,487</u>	<u>1,427</u>
Variable lease payments not included in the measurement of lease liabilities	\$ <u>3,145</u>	<u>2,093</u>	<u>5,790</u>	<u>5,011</u>
Expenses relating to short-term leases	\$ <u>6,116</u>	<u>12,191</u>	<u>16,661</u>	<u>16,596</u>
Expenses relating to leases of low-value, excluding short-term leases of low-value assets	\$ <u>2,652</u>	<u>3,487</u>	<u>4,337</u>	<u>4,888</u>

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

	<u>For the six months ended June 30</u>	
	<u>2024</u>	<u>2023</u>
Total cash outflow for leases	\$ <u>66,499</u>	<u>66,057</u>

(i) Real estate leases

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

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

(ii) Other leases

The Group leases transportation equipment, with lease terms of two to three years.

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

(Continued)

CONTINENTAL HOLDINGS CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(t) Provision

	June 30, 2024	December 31, 2023	June 30, 2023
Warranties	\$ 114,101	178,824	309,530
After-sales service	70,849	67,548	153,049
Onerous contract	49,039	60,807	73,656
	<u>\$ 233,989</u>	<u>307,179</u>	<u>536,235</u>

There were no significant changes of provision for the six months ended June 30, 2024 and 2023. Please refer to Note 6(s) for the related information of the consolidated financial statements for the year ended December 31, 2023.

(u) Operating leases

There were no significant additions of operating leases for the six months ended June 30, 2024 and 2023. Please refer to Note 6(t) for the related information of the consolidated financial statements for the year ended December 31, 2023.

(v) Long-term accounts payable

The Group established subsidiaries in the United States in 2017.

Due to the agreements entered into by the Group with its prior shareholders, the Group will have to pay after the completion of the construction projects of its subsidiaries. Unpaid amount to June 30, 2024, December 31 and June 30, 2023, are \$129,972 thousand, \$122,981 thousand and 131,077 thousand, respectively.

(w) Employee benefits

(i) Defined benefit plans

There were no material market volatility, no material reimbursement and settlement or other material one-time events since prior fiscal year. As a result, the pension cost in the accompanying interim period was measured and disclosed according to the actuarial report as of December 31, 2023 and 2022.

Expenses recognized in profit or loss :

	For the three months ended June 30		For the six months ended June 30	
	2024	2023	2024	2023
Operating costs	\$ 255	277	515	601
Operating expenses	725	737	1,445	1,426
	<u>\$ 980</u>	<u>1,014</u>	<u>1,960</u>	<u>2,027</u>

(Continued)

CONTINENTAL HOLDINGS CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(ii) Defined contribution plans

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

	For the three months ended		For the six months ended	
	June 30		June 30	
	2024	2023	2024	2023
Operating costs	\$ 14,087	12,675	27,387	24,215
Operating expenses	8,354	7,360	16,298	14,311
	\$ 22,441	20,035	43,685	38,526

(x) Income Tax

(i) Income tax expenses

	For the three months ended		For the six months ended	
	June 30		June 30	
	2024	2023	2024	2023
Current income tax expenses				
Current period	\$ 123,615	70,353	204,067	147,415
Land value increment tax	11,270	12,061	17,329	12,380
Surtax on unappropriated earnings	14,629	29,022	14,629	29,022
Adjustment for prior periods	(50,007)	(26,412)	(50,007)	(26,412)
	\$ 99,507	85,024	186,018	162,405

(ii) Status of approval of income tax

- 1) The Company's income tax returns for the year up to 2019 have been assessed by the tax authorities.
- 2) The Group's income tax returns have been assessed by the tax authorities were as follows:

Year of assessed	Company
2019	CEC, and CDC
2020	CCD
2022	BWC, LHC, NSC, SDC, PDC, HDEC, CCLC, CXC and CTC

(Continued)

CONTINENTAL HOLDINGS CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(y) Capital and other equity

Except for the following disclosure, there were no significant changes for capital and other equity for the six months ended June 30, 2024 and 2023. For the related information, please refer to Note 6(x) of the consolidated financial statements for the year ended December 31, 2023.

(i) Capital surplus

	June 30, 2024	December 31, 2023	June 30, 2023
Premiums from issuance of share capital	\$ 6,397,913	6,397,913	6,397,913
Treasury stock transactions	406,518	406,518	406,518
Difference arising from subsidiary's share price and its carrying value	1,971	-	-
Change on subsidiaries equity	<u>16,776</u>	<u>12,767</u>	<u>12,767</u>
	<u>\$ 6,823,178</u>	<u>6,817,198</u>	<u>6,817,198</u>

(ii) Retained earnings

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

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

1) Legal Reserve

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

(Continued)

CONTINENTAL HOLDINGS CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

2) Special Reserve

The Company applied the exemptions at the first-time adoption of IFRSs Accounting Standards increased its retained earnings by \$4,448,666 thousand, which were resulted from unrealized revaluation increments, exchange differences on translation of foreign financial statements, and the fair value of investment properties being used as the cost on initial recognitions at the transition date, as well as the amount of \$2,592,640 thousand being appropriated to special reserve according to Ruling issued by the FSC. The aforementioned special reserve may be reversed in proportion with the usage, disposal, or reclassification of the related assets, and then, be distributed afterwards. As of June 30, 2024, December 31 and June 30, 2023, the special reserve related to all IFRSs adjustments amounted to \$907,090 thousand, \$2,262,233 thousand and 2,262,233 thousand, respectively.

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

3) Earnings distribution

The amounts of cash dividends on the appropriations of earnings for 2023 and 2022 had been approved during the board meeting on March 8, 2024, and March 10, 2023, respectively. The other distributions on the appropriations of earnings for 2023 and 2022 had been approved during the shareholders' meeting on June 3, 2024 and May 30, 2023, respectively. The relevant dividend distributions to shareholders were as follows:

	<u>2023</u>		<u>2022</u>	
	<u>Amount per share</u>	<u>Total Amount</u>	<u>Amount per share</u>	<u>Total Amount</u>
Dividends distributed to common shareholders:				
Cash	\$ <u>1.50</u>	<u>1,234,824</u>	<u>2.50</u>	<u>2,058,040</u>

(Continued)

CONTINENTAL HOLDINGS CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(iii) Other equity

	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	Gains (losses) on hedging instruments	Total
Balance at January 1, 2024	\$ (673,352)	2,527,444	(20,543)	1,833,549
Exchange differences on foreign operations	227,131	-	-	227,131
Unrealized gains from financial assets measured at fair value through other comprehensive income	-	910,429	-	910,429
Change in fair value of hedging instrument	-	-	(40,839)	(40,839)
Balance at June 30, 2024	<u>\$ (446,221)</u>	<u>3,437,873</u>	<u>(61,382)</u>	<u>2,930,270</u>
Balance at January 1, 2023	\$ (695,150)	1,140,119	(1,549)	443,420
Exchange differences on foreign operations	83,867	-	-	83,867
Unrealized gains from financial assets measured at fair value through other comprehensive income	-	394,946	-	394,946
Change in fair value of hedging instrument	-	-	(7,410)	(7,410)
Balance at June 30, 2023	<u>\$ (611,283)</u>	<u>1,535,065</u>	<u>(8,959)</u>	<u>914,823</u>

(z) Earnings per share

	For the three months ended June 30		For the six months ended June 30	
	2024	2023	2024	2023
Basic earnings per share				
Net income attributable to ordinary shareholders	<u>\$ 653,552</u>	<u>576,157</u>	<u>750,151</u>	<u>790,097</u>
Weighted average number of ordinary shares (Basic)	<u>823,216</u>	<u>823,216</u>	<u>823,216</u>	<u>823,216</u>
Basic earnings per share (NT dollars)	<u>\$ 0.79</u>	<u>0.70</u>	<u>0.91</u>	<u>0.96</u>
Diluted earnings per share				
Net income attributable to ordinary shareholders (after adjusting the effects of all dilutive potential ordinary shares)	<u>\$ 653,552</u>	<u>576,157</u>	<u>750,151</u>	<u>790,097</u>
Weighted average number of ordinary shares (Basic)	823,216	823,216	823,216	823,216
Effect of dilutive potential ordinary shares				
Effect of the employee share bonus	<u>116</u>	<u>272</u>	<u>248</u>	<u>332</u>
Weighted average number of ordinary shares (after adjusting the effects of all dilutive potential ordinary shares)	<u>823,332</u>	<u>823,372</u>	<u>823,464</u>	<u>823,548</u>
Diluted earnings per share (NT dollars)	<u>\$ 0.79</u>	<u>0.70</u>	<u>0.91</u>	<u>0.96</u>

(Continued)

CONTINENTAL HOLDINGS CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(aa) Revenue from contracts with customers

(i) Disaggregation of revenue

For the three months ended June 30, 2024				
	Construction Engineering	Real Estate Development	Environmental Project Development & Water Treatment	Total
Primary geographical markets:				
Taiwan	\$ 4,558,419	2,004,315	1,691,144	8,253,878
Other	<u>22,609</u>	<u>407,525</u>	<u>-</u>	<u>430,134</u>
	<u>\$ 4,581,028</u>	<u>2,411,840</u>	<u>1,691,144</u>	<u>8,684,012</u>
Main products:				
Construction engineering	\$ 4,567,801	-	-	4,567,801
Environmental project development & water treatment	-	-	1,691,144	1,691,144
Real estate revenue	-	2,151,473	-	2,151,473
Rental revenue	4,816	32,660	-	37,476
Other	<u>8,411</u>	<u>227,707</u>	<u>-</u>	<u>236,118</u>
	<u>\$ 4,581,028</u>	<u>2,411,840</u>	<u>1,691,144</u>	<u>8,684,012</u>
For the three months ended June 30, 2023				
	Construction Engineering	Real Estate Development	Environmental Project Development & Water Treatment	Total
Primary geographical markets:				
Taiwan	\$ 4,746,792	1,877,251	1,047,124	7,671,167
Other	<u>172,384</u>	<u>256,553</u>	<u>-</u>	<u>428,937</u>
	<u>\$ 4,919,176</u>	<u>2,133,804</u>	<u>1,047,124</u>	<u>8,100,104</u>
Main products:				
Construction engineering	\$ 4,790,281	-	-	4,790,281
Environmental project development & water treatment	-	-	1,047,124	1,047,124
Real estate revenue	-	1,879,342	-	1,879,342
Rental revenue	6,995	24,262	-	31,257
Other	<u>121,900</u>	<u>230,200</u>	<u>-</u>	<u>352,100</u>
	<u>\$ 4,919,176</u>	<u>2,133,804</u>	<u>1,047,124</u>	<u>8,100,104</u>

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CONTINENTAL HOLDINGS CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

For the six months ended June 30, 2024				
	Construction Engineering	Real Estate Development	Environmental Project Development & Water Treatment	Total
Primary geographical markets:				
Taiwan	\$ 8,597,508	2,644,159	2,999,631	14,241,298
Other	<u>29,542</u>	<u>574,121</u>	<u>-</u>	<u>603,663</u>
	<u>\$ 8,627,050</u>	<u>3,218,280</u>	<u>2,999,631</u>	<u>14,844,961</u>
Main products:				
Construction engineering	\$ 8,599,591	-	-	8,599,591
Environmental project development & water treatment	-	-	2,999,631	2,999,631
Real estate revenue	-	2,729,508	-	2,729,508
Rental revenue	10,466	62,968	-	73,434
Other	<u>16,993</u>	<u>425,804</u>	<u>-</u>	<u>442,797</u>
	<u>\$ 8,627,050</u>	<u>3,218,280</u>	<u>2,999,631</u>	<u>14,844,961</u>
For the six months ended June 30, 2023				
	Construction Engineering	Real Estate Development	Environmental Project Development & Water Treatment	Total
Primary geographical markets:				
Taiwan	\$ 8,797,438	3,464,884	1,894,964	14,157,286
Other	<u>244,672</u>	<u>367,429</u>	<u>-</u>	<u>612,101</u>
	<u>\$ 9,042,110</u>	<u>3,832,313</u>	<u>1,894,964</u>	<u>14,769,387</u>
Main products:				
Construction engineering	\$ 8,898,522	-	-	8,898,522
Environmental project development & water treatment	-	-	1,894,964	1,894,964
Real estate revenue	-	3,413,634	-	3,413,634
Rental revenue	14,687	57,042	-	71,729
Other	<u>128,901</u>	<u>361,637</u>	<u>-</u>	<u>490,538</u>
	<u>\$ 9,042,110</u>	<u>3,832,313</u>	<u>1,894,964</u>	<u>14,769,387</u>

(Continued)

CONTINENTAL HOLDINGS CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(ii) Contract balances

	June 30, 2024	December 31, 2023	June 30, 2023
Notes receivable	\$ 548	684	1,691
Accounts receivable (including long-term accounts receivable)	8,803,803	8,854,396	8,326,689
Less: Allowance for impairment	-	-	-
Total	<u>\$ 8,804,351</u>	<u>8,855,080</u>	<u>8,328,380</u>
Contract assets-construction engineering	\$ 803,469	1,048,756	1,563,926
Contract assets-retention receivables	4,246,347	4,192,736	3,573,565
Total	<u>\$ 5,049,816</u>	<u>5,241,492</u>	<u>5,137,491</u>
Contract liabilities-construction engineering	\$ 4,700,336	5,072,341	3,983,827
Contract liabilities-environment project development & water treatment	-	-	6,498
Contract liabilities-advance real estate receipts	4,233,133	2,578,879	2,812,522
Contract liabilities-advance rent receipts	12,749	12,009	12,674
Total	<u>\$ 8,946,218</u>	<u>7,663,229</u>	<u>6,815,521</u>

- 1) Please refer to Note 6(e) for the accounts receivable and allowance for impairment.
- 2) Please refer to Note 6(t) for the onerous contracts.
- 3) The amounts of revenue recognized for the six months ended June 30, 2024 and 2023 that were included in the contract liability balance at the beginning of the year were \$246,404 thousand, \$286,734 thousand, \$342,706 thousand and \$567,540 thousand, respectively.
- 4) Please refer to Note 9 for the amounts of the above contracts.

(ab) Remuneration for employees and directors

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

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CONTINENTAL HOLDINGS CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

For the three months and six months ended June 30, 2024 and 2023, the Company estimated its employee remuneration to be \$3,504 thousand, \$3,153 thousand, \$4,267 thousand and \$4,486 thousand and its director's remuneration to be \$0. The estimated amounts mentioned above are calculated based on income before tax, excluding the remuneration to employees and directors of each period, multiplied it by the percentage of remuneration to employees and directors as specified in the Company's articles. These remunerations were expensed under operating expenses in the respective periods. If the distribution in the following year is different from the estimate, the difference will be regarded as changes in accounting estimates and will be reflected in profit or loss in the following year.

For the year ended December 31, 2023 and 2022, the Company amounted its employee remuneration to be \$9,961 thousand and \$14,764 thousand and its director's remuneration to be \$0, there were no differences between the actual distribution. Related information would be available at the Market Observation Post System website.

(ac) Non-operating income and expenses

(i) Interest income

	For the three months ended June 30		For the six months ended June 30	
	2024	2023	2024	2023
Interest income from bank deposits	\$ 24,751	22,285	37,906	41,440
Other interest income	5,138	4,860	11,844	7,381
	<u>\$ 29,889</u>	<u>27,145</u>	<u>49,750</u>	<u>48,821</u>

(ii) Other income

	For the three months ended June 30		For the six months ended June 30	
	2024	2023	2024	2023
Dividend income	\$ 49,259	49,025	49,259	49,025
Other income-other	15,082	21,359	21,210	38,592
Income from counter-party default	19	-	19	8,647
Gain on overdue payables written off	1	-	82	-
	<u>\$ 64,361</u>	<u>70,384</u>	<u>70,570</u>	<u>96,264</u>

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CONTINENTAL HOLDINGS CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(iii) Other gains and losses

	For the three months ended June 30		For the six months ended June 30	
	2024	2023	2024	2023
Net gains on disposals of property, plant and equipment	\$ 325	-	298	-
Net gains on disposals of investment properties	-	-	57,534	-
Net foreign exchange gains (losses)	20,585	(63,837)	23,398	(87,625)
Other	154	397	(1,650)	(9,117)
	<u>\$ 21,064</u>	<u>(63,440)</u>	<u>79,580</u>	<u>(96,742)</u>

(iv) Financial costs

	For the three months ended June 30		For the six months ended June 30	
	2024	2023	2024	2023
Interest expenses-borrowings	\$ 222,434	202,154	433,945	447,596
Interest expenses-bonds payables (including amortization expenses)	6,098	6,098	12,196	12,196
Interest expenses-lease liabilities	755	717	1,487	1,427
Less: capitalized interest and other	(46,813)	(21,915)	(83,146)	(41,649)
	<u>\$ 182,474</u>	<u>187,054</u>	<u>364,482</u>	<u>419,570</u>

(Continued)

CONTINENTAL HOLDINGS CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(ad) Financial instruments

(i) Credit risk

1) Credit risk exposure

As of June 30, 2024, December 31 and June 30, 2023, the Group's maximum credit risk exposure resulting from un-collectability of accounts receivable from transaction parties and financial losses from offering financial guarantee was as follows:

- The book value of financial assets and contract assets recognized on the balance sheet; and
- The financial guarantee provided by the Group amounted to \$4,293,675 thousand, \$3,764,675 thousand and \$3,617,675 thousand, respectively.

2) Credit risk concentrations

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

3) Receivables of credit risk

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

Other financial assets at amortized cost includes other receivables.

All of these financial assets are considered to have low risk, and thus the impairment provision recognized during the period was limited to 12 months expected losses. There were no recognition or reversal of impairment losses for the six month ended June 30, 2024 and 2023

(ii) Liquidity risk

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

(Continued)

CONTINENTAL HOLDINGS CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

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

	<u>Carrying amount</u>	<u>Contractual cash flows</u>	<u>Within 1 year</u>	<u>1-5 years</u>	<u>More than 5 years</u>
June 30, 2024					
Non-derivative financial liabilities					
Secured loans	\$ 17,271,224	20,167,573	3,262,550	13,564,709	3,340,314
Unsecured loans	11,490,138	12,409,437	4,971,081	7,438,356	-
Short-term notes and bills payable	250,000	250,000	250,000	-	-
Bonds payable	1,998,916	2,022,000	11,000	2,011,000	-
Accounts and notes payable	6,296,016	6,296,016	3,134,329	2,996,829	164,858
Other payables	3,056,388	3,056,388	1,026,034	2,030,354	-
Guarantee deposit received	77,784	77,784	430	69,427	7,927
Long-term accounts payable	129,972	129,972	-	129,972	-
Lease liabilities	141,146	145,141	71,979	72,466	696
	<u>\$ 40,711,584</u>	<u>44,554,311</u>	<u>12,727,403</u>	<u>28,313,113</u>	<u>3,513,795</u>
December 31, 2023					
Non-derivative financial liabilities					
Secured loans	\$ 17,564,594	20,289,372	3,534,154	13,919,581	2,835,637
Unsecured loans	9,761,025	10,439,815	5,077,628	4,426,479	935,708
Short-term notes and bills payable	800,000	800,000	800,000	-	-
Bonds payable	1,998,555	2,033,000	11,000	2,022,000	-
Accounts and notes payable	6,578,347	6,578,347	3,635,156	2,699,663	243,528
Other payables	1,902,960	1,902,960	817,539	1,085,420	1
Guarantee deposit received	70,681	70,681	430	13,523	56,728
Long-term accounts payable	122,981	122,981	-	122,981	-
Lease liabilities	138,424	142,324	63,246	78,122	956
	<u>\$ 38,937,567</u>	<u>42,379,480</u>	<u>13,939,153</u>	<u>24,367,769</u>	<u>4,072,558</u>
June 30, 2023					
Non-derivative financial liabilities					
Secured loans	\$ 14,640,457	17,242,019	2,391,372	11,473,898	3,376,749
Unsecured loans	9,098,783	9,368,864	4,686,509	4,089,033	593,322
Short-term notes and bills payable	736,000	736,000	736,000	-	-
Bonds payable	1,998,194	2,033,000	11,000	2,022,000	-
Accounts and notes payable	5,899,945	5,899,945	3,247,352	2,397,224	255,369
Other payables	3,700,112	3,700,112	2,066,342	1,633,757	13
Guarantee deposit received	80,449	80,449	4,926	9,191	66,332
Long-term accounts payable	131,077	131,077	-	131,077	-
Lease liabilities	143,752	149,396	56,134	93,262	-
	<u>\$ 36,428,769</u>	<u>39,340,862</u>	<u>13,199,635</u>	<u>21,849,442</u>	<u>4,291,785</u>

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

(Continued)

CONTINENTAL HOLDINGS CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(iii) Currency risk

1) Exposure to currency risk

	June 30, 2024			December 31, 2023			June 30, 2023		
	Foreign currency	Exchange rate	NTD	Foreign currency	Exchang e rate	NTD	Foreign currency	Exchange rate	NTD
Financial Assets									
<u>Monetary items</u>									
USD : NTD	\$ 4,983	32.4500	161,697	5,940	30.7050	182,377	7,589	31.1400	236,309
HKD : NTD	55,664	4.1550	231,282	19,893	3.9290	78,158	2,966	3.9740	11,787
MYR : NTD	140,966	6.8781	969,581	134,968	6.6978	903,989	5	6.7443	33
USD : MYR	1,244	4.7195	40,364	1,030	4.5900	31,613	1,562	4.6650	48,636
INR : TWD	517,172	0.3888	201,076	-	-	-	-	-	-
Financial Liabilities									
<u>Monetary items</u>									
USD : MYR	21,450	4.7195	696,053	21,450	4.5900	658,622	21,450	4.6650	667,953

2) Sensitivity analysis

The Group's exchange rate risk comes mainly from currency exchange gains and losses on the translation of the foreign cash and cash equivalents, accounts receivable, other receivables, borrowings, accounts payable, other payables, etc. A strengthening (weakening) of 1% of the NTD against foreign currencies for the six months ended June 30, 2024 and 2023 would have increased or decreased the income before tax by \$8,233 thousand and by \$3,990 thousand, and the equity by \$846 thousand and \$278 thousand due to cash flow hedges, respectively. The analysis assumes that all other variables remain constant and is performed on the same basis for prior year.

3) Foreign exchange gains or losses of monetary items

Since the Group has many kinds of functional currency, the information on foreign exchange gain (loss) on monetary items is disclosed by total amount. For the six months ended June 30, 2024 and 2023, foreign exchange gain (loss) (including realized and unrealized portions) amounted to \$23,398 thousand and (\$87,625) thousand, respectively.

(iv) Interest rate risk

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

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

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

If the interest rate increases or decreases by 1%, the Group's income before tax will decrease or increase by \$121,421 thousand and \$89,636 thousand for the six months ended June 30, 2024 and 2023, respectively, with all other variable factors remain constant. This is mainly due to the Group's borrowing at variable rates.

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CONTINENTAL HOLDINGS CORPORATION AND SUBSIDIARIES
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(v) Other market price risk

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

<u>Price of securities at the reporting date</u>	For the six months ended June 30			
	2024		2023	
	Other comprehensive Income after tax	Net Income	Other comprehensive Income after tax	Net Income
Increase 1%	\$ <u>42,821</u>	<u>10,689</u>	<u>23,793</u>	<u>10,689</u>
Decrease 1%	\$ <u>(42,821)</u>	<u>(10,689)</u>	<u>(23,793)</u>	<u>(10,689)</u>

(vi) Fair value of financial instruments

1) Categories and fair value of financial instruments

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

	June 30, 2024				
	Carrying amount	Fair Value			Total
		Level 1	Level 2	Level 3	
Financial assets at fair value through profit or loss					
Unlisted common shares	\$ 1,068,858	-	-	1,068,858	1,068,858
Financial assets for hedging	\$ 90,215	90,215	-	-	90,215
Financial assets at fair value through other comprehensive income					
Listed common shares	\$ 3,577,603	3,577,603	-	-	3,577,603
Unlisted common shares	704,460	-	-	704,460	704,460
Subtotal	4,282,063	3,577,603	-	704,460	4,282,063
Total	\$ <u>5,441,136</u>	<u>3,667,818</u>	<u>-</u>	<u>1,773,318</u>	<u>5,441,136</u>
Financial liabilities for hedging	\$ <u>62,419</u>	<u>62,419</u>	<u>-</u>	<u>-</u>	<u>62,419</u>

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CONTINENTAL HOLDINGS CORPORATION AND SUBSIDIARIES
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	December 31, 2023				
	Carrying amount	Fair Value			Total
		Level 1	Level 2	Level 3	
Financial assets at fair value through profit or loss					
Unlisted common shares	\$ 1,068,858	-	-	1,068,858	1,068,858
Financial assets for hedging	\$ 28,839	28,839	-	-	28,839
Financial assets at fair value through other comprehensive income					
Listed common shares	2,667,174	2,667,174	-	-	2,667,174
Unlisted common shares	704,460	-	-	704,460	704,460
Subtotal	\$ 3,371,634	2,667,174	-	704,460	3,371,634
Total	\$ 4,469,331	2,696,013	-	1,773,318	4,469,331
Financial liabilities for hedging	\$ 19,444	19,444	-	-	19,444
	June 30, 2023				
	Carrying amount	Fair Value			Total
		Level 1	Level 2	Level 3	
Financial assets at fair value through profit or loss					
Unlisted common shares	\$ 1,068,858	-	-	1,068,858	1,068,858
Financial assets for hedging	\$ 30,880	30,880	-	-	30,880
Financial assets at fair value through other comprehensive income					
Listed common shares	\$ 1,718,275	1,718,275	-	-	1,718,275
Unlisted common shares	660,980	-	-	660,980	660,980
Subtotal	2,379,255	1,718,275	-	660,980	2,379,255
Total	\$ 3,478,993	1,749,155	-	1,729,838	3,478,993
Financial liabilities for hedging	\$ 9,769	9,769	-	-	9,769

2) Valuation techniques for financial instruments measured at fair value

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

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

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

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

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CONTINENTAL HOLDINGS CORPORATION AND SUBSIDIARIES
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Measurements of financial instrument without an active market are as follows:

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

3) Transfer between Levels

There were no transfers of levels for the six months ended June 30, 2024 and 2023.

4) The movement of Level 3

	Financial assets at fair value through profit or loss	Financial assets at fair value through other comprehensive income
	Non-derivative financial assets mandatorily measured at fair value through profit or loss	Equity instruments without quoted market price
Balance at June 30, 2024 (the beginning of the year)	\$ 1,068,858	704,460
Balance at June 30, 2023 (the beginning of the year)	\$ 1,068,858	660,980

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

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

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

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CONTINENTAL HOLDINGS CORPORATION AND SUBSIDIARIES
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<u>Item</u>	<u>Valuation Technique</u>	<u>Significant unobservable input</u>	<u>Relationship between input and fair value</u>
Financial assets at fair value through profit or loss-equity investments without an active market	Discounted cash flow method	· Return on equity (June 30, 2024, December 31, 2023 and June 30, 2023 were 11.2466%, 11.2466% and 12.4176%, respectively)	· The higher return of equity, the lower the fair value.
Financial assets at fair value through other comprehensive income-equity investments without an active market	Market Method	· The multiplier of price-to-earnings ratio (June 30, 2024, December 31, 2023 and June 30, 2023 were 17.17, 17.17 and 16.38, respectively) · Market illiquidity discount (June 30, 2024, December 31, 2023 and June 30, 2023 were 75%)	· The higher multiplier of price-to-earnings ratio, the higher the fair value. · The higher market illiquidity discount, the lower the fair value.
Financial assets at fair value through other comprehensive income-equity investments without an active market	Income Method	· The growth rate of earnings-per-share (June 30, 2024, December 31, 2023 and June 30, 2023 were 0%) · Weighted average cost of capital (June 30, 2024, December 31, 2023 and June 30, 2023 were 5%)	· The higher the growth rate of earnings-per-share, the higher the fair value. · The higher weighted average cost of capital, the lower the fair value.

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

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

	<u>Input</u>	<u>Change up or down</u>	<u>Profit or loss</u>		<u>Other comprehensive income</u>	
			<u>Favorable change</u>	<u>Unfavorable change</u>	<u>Favorable change</u>	<u>Unfavorable change</u>
June 30, 2024						
Financial assets at fair value through profit or loss						
Equity instruments without an active market	Return on equity	1%	\$ 2,956	(2,941)	-	-
Financial assets at fair value through other comprehensive income						
Equity instruments without an active market	Market liquidity discount	5%	\$ -	-	46,718	46,718
Equity instruments without an active market	Weighted average cost of capital	1%	\$ -	-	164	(155)

(Continued)

CONTINENTAL HOLDINGS CORPORATION AND SUBSIDIARIES
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	Input	Change up or down	Profit or loss		Other comprehensive income	
			Favorable change	Unfavorable change	Favorable change	Unfavorable change
December 31, 2023						
Financial assets at fair value through profit or loss						
Equity instruments without an active market	Market liquidity discount	1%	\$ 2,956	(2,941)	-	-
Financial assets at fair value through other comprehensive income						
Equity instruments without an active market	Market liquidity discount	5%	\$ -	-	46,718	(46,718)
Equity instruments without an active market	Weighted average cost of capital	1%	\$ -	-	164	(155)
June 30, 2023						
Financial assets at fair value through profit or loss						
Equity instruments without an active market	Return on equity	1%	\$ 3,239	(3,221)	-	-
Financial assets at fair value through other comprehensive income						
Equity instruments without an active market	Market liquidity discount	5%	\$ -	-	43,865	(43,865)
Equity instruments without an active market	Weighted average cost of capital	1%	\$ -	-	133	(126)

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

(ae) Financial risk management

There were no significant changes in the Group's financial risk management and policies as disclosed in Note 6(ad) of the consolidated financial statements for the year ended December 31, 2023.

(af) Capital Management

The objectives, policies and processes of capital management of the Group has been applied consistently with those described in the consolidated financial statements for the year ended December 31, 2023. Also, there were no significant changes in the Group's capital management information as disclosed for the year ended December 31, 2023. Please refer to Note 6(ae) for the further details of the consolidated financial statements for the year ended December 31, 2023.

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CONTINENTAL HOLDINGS CORPORATION AND SUBSIDIARIES
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(ag) Non-cash investing and financing activities

- (i) Please refer to Note 6(l) for the acquisition right-of-use assets by leasing.
- (ii) Please refer to Note 6(g) for offsetting accounts payable by inventories.
- (iii) Reclassification of assets:

	For the three months ended June 30		For the six months ended June 30	
	2024	2023	2024	2023
Prepayments for busines facilities reclassified to property, plant and equipment	\$ 16,578	-	59,071	-
Investment properties reclassified to inventories	-	-	4,729,055	-
Investment properties reclassified to property, plant and equipment	403,195	-	403,195	-
	<u>\$ 419,773</u>	<u>-</u>	<u>5,191,321</u>	<u>-</u>

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

	January 1, 2024	Cash flows	Non-cash changes		Changes in lease payments	June 30, 2024
			Foreign exchange movement	Other		
Short-term borrowings	\$ 15,865,691	3,043,209	239,575	(24,867)	-	19,123,608
Long-term borrowings (including due within one year)	11,459,928	(1,861,015)	38,534	307	-	9,637,754
Lease liabilities	138,424	(38,224)	332	-	40,614	141,146
Bonds payable	1,998,555	-	-	361	-	1,998,916
	<u>\$ 29,462,598</u>	<u>1,143,970</u>	<u>278,441</u>	<u>(24,199)</u>	<u>40,614</u>	<u>30,901,424</u>

	January 1, 2023	Cash flows	Non-cash changes		Changes in lease payment	June 30, 2023
			Foreign exchange movement	Other		
Short-term borrowings	\$ 14,790,012	(2,781,572)	43,103	-	-	12,051,543
Long-term borrowings (including due within one year)	11,469,845	251,784	(33,932)	-	-	11,687,697
Lease liabilities	148,418	(38,135)	272	-	33,197	143,752
Bonds payable	1,997,832	-	-	362	-	1,998,194
	<u>\$ 28,406,107</u>	<u>(2,567,923)</u>	<u>9,443</u>	<u>362</u>	<u>33,197</u>	<u>25,881,186</u>

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CONTINENTAL HOLDINGS CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(7) Related-party transactions

(a) Parent Group and Ultimate Controlling Party

Montrion Corporation is the parent company of the Group.

(b) Names and relationship with related parties

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

(c) Other related party transactions

(i) Contracted construction

<u>For the six months ended June 30, 2024</u>	<u>Total Contract Amount (Before tax)</u>	<u>Current Amount</u>	<u>Accumulated Amount</u>
Associate (CTCI-HDEC)	\$ <u>6,607,731</u>	<u>258,848</u>	<u>1,232,388</u>
Associate (Fanlu)	\$ <u>2,035,092</u>	<u>429,905</u>	<u>1,662,366</u>
<u>For the six months ended June 30, 2023</u>			
Associate (CTCI-HDEC)	\$ <u>6,607,731</u>	<u>60,323</u>	<u>594,882</u>
Associate (Fanlu)	\$ <u>1,544,284</u>	<u>232,968</u>	<u>866,545</u>

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

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CONTINENTAL HOLDINGS CORPORATION AND SUBSIDIARIES
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(ii) Labor services revenue

	For the three months ended June 30		For the six months ended June 30	
	2024	2023	2024	2023
Associates	\$ <u>9,171</u>	<u>-</u>	<u>12,135</u>	<u>-</u>

The group provided the operation and maintenance services of the sewage treatment plant. The terms and pricing of transactions are not significantly difference from general transactions.

(iii) Other operating revenues

	For the three months ended June 30		For the six months ended June 30	
	2024	2023	2024	2023
Associates	\$ 3,299	7,380	4,495	7,380
Other related parties	<u>3,318</u>	<u>2,640</u>	<u>5,258</u>	<u>4,862</u>
	<u>\$ 6,617</u>	<u>10,020</u>	<u>9,753</u>	<u>12,242</u>

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

(iv) Purchases

	For the three months ended June 30		For the six months ended June 30	
	2024	2023	2024	2023
Other related parties	\$ <u>42</u>	<u>42</u>	<u>71</u>	<u>721</u>

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

(v) Contract Assets

	June 30, 2024	December 31, 2023	June 30, 2023
Associates	\$ <u>240,007</u>	<u>210,352</u>	<u>80,991</u>

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(vi) Receivables from related parties

	June 30, 2024	December 31, 2023	June 30, 2023
Accounts receivable-Other related parties	\$ 821	1,162	924
Accounts receivable-Associates	14,137	6,141	-
Other receivables-Other related parties	-	80	-
Other receivables-Associates	<u>52,787</u>	<u>2,815</u>	<u>28,089</u>
	<u><u>\$ 67,745</u></u>	<u><u>10,198</u></u>	<u><u>29,013</u></u>

(vii) Payables to related parties

	June 30, 2024	December 31, 2023	June 30, 2023
Other payables-Other related parties	\$ <u>474</u>	<u>756</u>	<u>433</u>

(viii) Rental

1) Rental revenues

	For the three months ended June 30		For the six months ended June 30	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Other related parties	\$ <u>757</u>	<u>835</u>	<u>1,514</u>	<u>1,639</u>

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

2) Rental costs

The Group leased an office building and a warehouse from other related parties. For the six months ended June 30, 2024 and 2023, the Group recognized the amount of \$74 thousand, \$93 thousand, \$153 thousand and \$191 thousand as interest expenses, respectively. As of June 30, 2024, December 31 and June 30, 2023, the balance of lease liabilities amounted to \$15,726 thousand, \$17,866 thousand and \$19,998 thousand, respectively.

(ix) Transaction of properties

In March 2024, the Group sold transportation equipment to other related parties for \$495 thousand (before tax), without losses on disposal of assets, wherein the full amount had been fully collected as of the reporting date.

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(x) Endorsements and Guarantees

	Guarantee classification	June 30, 2024	December 31, 2023	June 30, 2023
Associate (CTCI-HDEC)	Guarantee for bank loans	\$ 2,207,675	2,207,675	2,060,675
Associate (Fanlu)	Guarantee for bank loans	2,086,000	1,557,000	1,557,000
		<u>\$ 4,293,675</u>	<u>3,764,675</u>	<u>3,617,675</u>

(xi) Other

1) Interest revenues

	For the three months ended June 30		For the six months ended June 30	
	2024	2023	2024	2023
Associates	<u>\$ 88</u>	<u>598</u>	<u>1,247</u>	<u>598</u>

2) Other expenses

	For the three months ended June 30		For the six months ended June 30	
	2024	2023	2024	2023
Other related parties	<u>\$ 7,786</u>	<u>7,897</u>	<u>16,015</u>	<u>23,029</u>

3) Other income

	For the three months ended June 30		For the six months ended June 30	
	2024	2023	2024	2023
Associates	\$ 2,522	2,629	4,204	4,381
Other related parties	18	27	42	54
	<u>\$ 2,540</u>	<u>2,656</u>	<u>4,246</u>	<u>4,435</u>

(d) Key Management Personnel Transaction

	For the three months ended June 30		For the six months ended June 30	
	2024	2023	2024	2023
Short-term employee benefits	<u>\$ 31,170</u>	<u>27,180</u>	<u>97,747</u>	<u>92,056</u>

As of June 30, 2024 and 2023, the Group provides sixteen vehicles at a cost of \$26,293 thousand and fourteen vehicles at a cost of \$20,187 thousand, respectively, for the key management personnel.

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(8) Pledged assets

<u>Asset</u>	<u>Purpose of pledge</u>	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
Inventories (development corp.)	Loan collateral	\$ 22,176,598	16,468,089	13,129,448
Restricted deposits (other current assets)	Time deposits collateral	150,371	168,870	471,024
Property, plant and equipment	Loan collateral and construction guarantee	8,079,018	7,856,770	7,967,955
Investment properties, net	Loan collateral and construction guarantee	2,735,340	7,470,336	7,476,278
Total		<u>\$ 33,141,327</u>	<u>31,964,065</u>	<u>29,044,705</u>

(9) Significant commitments and contingencies

(a) Major commitments were as follows:

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

	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30 2023</u>
Total sales of completed construction and real estate	<u>\$ 21,147,895</u>	<u>11,805,520</u>	<u>12,937,394</u>
Receipts based on the contracts	<u>\$ 4,233,133</u>	<u>2,578,879</u>	<u>2,812,522</u>

(ii) As of June 30, 2024, December 31 and June 30, 2023, the Group has entered into contracts for the purchase of land but for which it has not received the legal title amounted to \$151,050 thousand, \$151,050 thousand and 0 thousand, within which, \$45,315 thousand, \$45,315 thousand and 0 thousand had been paid.

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

	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
Total contract amount – NTD	\$ 179,894,926	160,657,096	153,267,865
– INR	35,074,796	35,074,796	35,063,078
– HKD	4,592,635	4,585,034	4,582,986
– MOP	982,544	982,544	982,544
Accumulated billing amount	220,544,901	129,755,641	121,713,014

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(iv) Service Concession agreements

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

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

<u>The subsidiary as an operator</u>	<u>Location</u>	<u>Grantor</u>	<u>Agreement type</u>	<u>Concession period</u>
NSC	Danshui area	New Taipei City	BOT of wastewater	May 2005~ May 2040
PDC	Pu Ding area	Taoyuan City	BOT of wastewater	January 2021~December 2055
BWC	Kaohsiung area	Kaohsiung City	BTO of wastewater reclamation and reuse	August 2016~August 2033
LHC	Kaohsiung area	Kaohsiung City	BTO of wastewater reclamation and reuse	October 2018~December 2036
CTC	Kaohsiung area	Kaohsiung City	BTO of wastewater reclamation and reuse	October 2022~October 2040
CXC	Tainan area	Tainan City	BOT of incineration plant	February 2023~February 2048

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CONTINENTAL HOLDINGS CORPORATION AND SUBSIDIARIES
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- (v) The Group's outstanding stand by letter of credit are as follows:

	June 30, 2024	December 31, 2023	June 30, 2023
Outstanding stand by letter of credit	\$ 1,161,464	1,364,576	-

- (vi) The Group engaged Sydell Hotels LLC ("Sydell"), a third party professional hotel management company, for providing architects, consultants, and engineers in the planning, design, and equipping of its hotel, as well as pre-opening services necessary for the opening the hotel, at the total contract price of USD1,177 thousand. As of June 30, 2024, the remaining amount of USD450 thousand had yet to be.
- (b) Contingent liability:
- (i) As of June 30, 2024, December 31 and June 30, 2023, the Group provided promissory notes for contract performance, issuance of commercial paper, and construction warranty, amounted to \$59,929,033 thousand, \$53,191,348 thousand and \$50,369,769 thousand, respectively.
- (ii) As of June 30, 2024, December 31 and June 30, 2023, promissory notes receivable for construction contracts amounted to \$15,009,023 thousand, \$14,855,261 thousand and \$14,272,011 thousand, respectively.
- (c) Other
- (i) In April 2005, the Group filed a lawsuit against Kao Nan Region Construction Office for the East West Expressway (Kao Nan), demanding for the compensation fee of \$444,579 thousand for the dispute concerning the extension of the construction of the highway between Wujia and Shangliao. During the 2nd verdict in February 2014, Taiwan High Court Kaohsiung Branch decided that Kao Nan should pay the amount of \$243,206 thousand to the Group (including interest). However, the Group disagreed with the Court's decision and appealed to the Supreme Court regarding the matter. On the other hand, Kao Nan also appealed to the Supreme Court stating that the compensation amount decided by the High Court was unreasonable. In June 2014, the Supreme Court overturned the decision made by the High Court during the 2nd verdict and handed over this case back to the High Court for another decision. In September 2018, Taiwan High Court Kaohsiung Branch decided that Kao Nan should pay the amount of \$318,498 thousand to the Group (excluding interest). Both the Group and Kao Nan Region Construction Office appeal against the decision. In March 19, 2020, the Supreme Court decided the Group won partially in this case and the Kao Nan Construction Office should pay the amount of \$91,411 thousand (excluding interest) to the Group, who had received the amounts of \$86,667 thousand and \$5,909 thousand (both including interest) in May and July of 2020, respectively. The remaining amount of \$238,295 thousand (excluding interest) has been handed back to the High Court for reconsideration. The case is still in progress as of the reporting date.

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- (ii) In the Indian Metro project of “Design and construction of TBM tunnel and underground stations bw chandpole, Badi chouper and reversal line”, the Group and the client Jaipur Metro Rail Corporation Limited (JMRC), have disputes over the repair warranty and other contract-related expense claims. Due to the disputes, JMRC requested the bank to encash the guarantee bond \$251,442 thousand (INR\$646,713 thousand) that guaranteed by the bank for the Group on April 5, 2024. In order to maintain a good creditworthiness record, the Group provided the guarantee bond (recorded as other receivable) to the bank, wherein JMRC was able to receive the whole amount on April 8, 2024. The aforementioned project has started operations in September 2020. The Group believes that the project has been completed and delivered in accordance with the contract and has fulfilled its warranty and repair obligations. As the result, the Group is not convinced by JMRC's reasons for requesting the encashment of the guarantee bond and are seeking legal remedies to request JMRC to return the encashed project guarantee bond.

(10) Losses due to major disasters: None

(11) Subsequent events: None

(12) Other

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

	For the three months ended June 30,2024			For the three months ended June 30,2023		
	Operating costs	Operating expenses	Total	Operating costs	Operating expenses	Total
Employee benefits						
Salary	418,987	205,323	624,310	392,342	184,723	577,065
Labor and health	37,861	16,486	54,347	30,693	13,028	43,721
Pension	15,523	9,868	25,391	14,137	8,793	22,930
Others	67,264	33,425	100,689	40,763	33,378	74,141
Depreciation	133,939	12,643	146,582	109,645	12,150	121,795
Amortization	18,152	-	18,152	17,187	-	17,187

	For the six months ended June 30,2024			For the six months ended June 30,2023		
	Operating costs	Operating expenses	Total	Operating costs	Operating expenses	Total
Employee benefits						
Salary	820,840	410,925	1,231,765	806,780	363,905	1,170,685
Labor and health	70,848	32,419	103,267	63,149	29,309	92,458
Pension	30,335	19,270	49,605	27,079	17,153	44,232
Others	117,679	65,238	182,917	80,883	61,983	142,866
Depreciation	257,772	24,926	282,698	212,580	26,275	238,855
Amortization	36,304	-	36,304	34,374	-	34,374

- (b) Seasonal operation :

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

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(13) Other disclosures

(a) Information on significant transactions

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

(i) Loans provided to other parties:

(In Thousands of New Taiwan Dollars)

Number	Name of lender	Name of borrower	Account name	Related party	Highest balance of financing to other parties during the period	Ending balance	Actual usage amount during the period	Range of interest rates during the period	Purposes of fund financing for the borrower (Note 2)	Transaction amount for businesses between two parties	Reasons for short-term financing	Allowance for bad debt	Collateral		Maximum amount of loans provided to a single enterprise (Note 1)	Maximum amount of loans (Note 1)
													Item	Value		
0	CHC	HDEC	Other receivables	Yes	500,000	-	-	1.3%	2	-	Replenish working capital	-	-	-	5,594,033	11,188,066
0	CHC	HDEC	Other receivables	Yes	500,000	500,000	500,000	1.3%	2	-	Replenish working capital	-	-	-	5,594,033	11,188,066
1	CDC	BANGSAR	Other receivables	Yes	298,097	297,134	288,880	2.50%	2	-	Land purchases and operation requirements	-	-	-	6,729,236	6,729,236
1	CDC	MEGA	Other receivables	Yes	820,762	818,110	680,687	2.5%	2	-	Land purchases and operation requirements	-	-	-	6,729,236	6,729,236
1	CDC	Grand River D. Limited	Other receivables	No	1,218,595	1,218,595	828,253	2.525%	2	-	Operation requirements	-	-	-	6,729,236	6,729,236
1	CDC	950 Investment LLC	Other receivables	Yes	110,530	-	-	8.40%	2	-	Operation requirements	-	-	-	6,729,236	6,729,236
2	CEC	CDC	Other receivables	Yes	500,000	500,000	500,000	Taibor+0.5%	2	-	Operation requirements	-	-	-	3,124,329	3,124,329

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

CHC:

Maximum amount of loans is limited to 40% of net equity value: \$27,970,165 thousand \times 40% = 11,188,066 thousand

Maximum amount of loans provided to a single business enterprise is limited to 20% of net equity value: \$27,970,165 thousand \times 20% = 5,594,033 thousand

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

CDC:

Maximum amount of loans is limited to 40% of net equity value: \$16,823,089 thousand \times 40% = 6,729,236 thousand

Maximum amount of loans provided to a single business enterprise is limited to 40% of net equity value: \$16,823,089 thousand \times 40% = 6,729,236 thousand

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

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CEC:

Maximum amount of loans is limited to 40% of net equity value: \$7,810,823 thousand × 40% = 3,124,329 thousand

Maximum amount of loans provided to a single business enterprise is limited to 40% of net equity value: \$7,810,823 thousand × 40% = 3,124,329 thousand

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

Note 3: Financing purposes:

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

(ii) Guarantees and endorsements for other parties:

(In Thousands of New Taiwan Dollars)

No.	Name of guarantor	Counter-party of guarantee and endorsement		Maximum amount of guarantees and endorsements for a specific enterprise	Highest balance of guarantees and endorsements during the period	Balance of guarantees and endorsements as of reporting date	Actual usage amount during the period	Property pledged for guarantees and endorsements (Amount)	Ratio of accumulated amounts of guarantees and endorsements over net worth in the latest financial statements	Maximum amount of guarantees and endorsements	Parent company' sendorsements/ guarantees to third parties on behalf of subsidiary	Subsidiary' s endorsements/ guarantees to third parties on behalf of parent company	Endorsements/ guarantees to third parties on behalf of companies in Mainland China
		Name	Relationship with the Company										
0	CHC	CICI	2	111,880,660	471,276	-	-	-	- %	111,880,660	Y	N	N
0	CHC	HDEC	2	111,880,660	4,312,282	4,008,980	1,782,882	-	14.33 %	111,880,660	Y	N	N
0	CHC	CEC	2	111,880,660	16,100,475	14,605,070	5,419,145	-	52.22 %	111,880,660	Y	N	N
1	CEC	CDC	4,7	15,621,646	1,071,000	1,071,000	216,669	-	13.71 %	15,621,646	N	N	N
2	CDC	CDC US.	2	33,646,178	162,725	162,250	-	-	0.96 %	33,646,178	N	N	N
2	CDC	CCD	2	33,646,178	3,770,000	1,885,000	1,885,000	-	11.20 %	33,646,178	N	N	N
2	CDC	BANGSAR	2,6	33,646,178	173,890	173,328	36,595	-	1.03 %	33,646,178	N	N	N
2	CDC	MEGA	2,6	33,646,178	405,429	404,246	382,829	-	2.40 %	33,646,178	N	N	N
2	CDC	950P	2,6	33,646,178	570,188	568,524	405,087	-	3.38 %	33,646,178	N	N	N
2	CDC	950H & 950R	2,6	33,646,178	1,763,939	1,758,790	1,634,142	-	10.45 %	33,646,178	N	N	N
2	CDC	Fanlu	6	33,646,178	3,643,000	2,086,000	1,589,000	-	12.40 %	33,646,178	N	N	N
3	CCD	CDC	3	10,933,336	6,232,200	5,250,000	1,944,500	4,729,055	192.07 %	10,933,336	N	N	N
4	HDEC	NSC	2	42,606,456	2,495,000	2,495,000	1,813,000	-	46.85 %	42,606,456	N	N	N
4	HDEC	PDC	2	42,606,456	1,545,000	1,545,000	1,003,500	-	29.01 %	42,606,456	N	N	N
4	HDEC	CTC	2	42,606,456	3,100,000	3,100,000	1,116,000	-	58.21 %	42,606,456	N	N	N
4	HDEC	LHC	2,6	42,606,456	1,100,000	1,100,000	793,463	-	20.65 %	42,606,456	N	N	N
4	HDEC	BWC	2,6	42,606,456	1,004,705	229,500	107,100	-	4.31 %	42,606,456	N	N	N
4	HDEC	CTCI-HDEC	6	42,606,456	2,207,675	2,207,675	1,063,035	-	41.45 %	42,606,456	N	N	N
4	HDEC	CEC	4,5	42,606,456	210,129	210,129	191,379	-	3.95 %	42,606,456	N	N	N

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No.	Name of guarantor	Counter-party of guarantee and endorsement		Maximum amount of guarantees and endorsements for a specific enterprise	Highest balance of guarantees and endorsements during the period	Balance of guarantees and endorsements as of reporting date	Actual usage amount during the period	Property pledged for guarantees and endorsements (Amount)	Ratio of accumulated amounts of guarantees and endorsements over net worth in the latest financial statements	Maximum amount of guarantees and endorsements	Parent company's endorsements/guarantees to third parties on behalf of subsidiary	Subsidiary's endorsements/guarantees to third parties on behalf of parent company	Endorsements/guarantees to third parties on behalf of companies in Mainland China
		Name	Relationship with the Company										
4	HDEC	CXC	2	42,606,456	4,900,000	4,900,000	1,140,000	-	92.00 %	42,606,456	N	N	N
4	HDEC	CEC	4	42,606,456	1,251,600	1,251,600	1,251,600	-	23.50 %	42,606,456	N	N	N
5	SDC	HDEC	3	407,816	100	100	100	-	0.20 %	407,816	N	N	N
5	SDC	NSC	4	407,816	100	100	100	-	0.20 %	407,816	N	N	N

Note 1: According to the policy of CHC, the total amount of endorsements/guarantees is limited to four times the net equity value in accordance with the Company's most recent financial statements: \$27,970,165 thousand \times 4 = \$111,880,660 thousand

The total amount of endorsements/guarantees provided to a single business is limited to four times the net equity value in accordance with the Company's most recent financial statements: \$27,970,165 thousand \times 4 = \$111,880,660 thousand

According to the policy of CEC, the total amount of endorsements/guarantees is limited to six times the net equity value in accordance with the Company's most recent financial statements except in the event of joint liability in joint ventures with other companies in the same industry: \$7,810,823 thousand \times 6 = \$46,864,938 thousand

The total amount of endorsements/guarantees provided to a single business is limited to three times the net equity value in accordance with the Company's most recent financial statements: \$7,810,823 thousand \times 3 = \$23,432,469 thousand

According to the policy of CEC, the total amount of endorsements/guarantees is limited to two times the net equity value in accordance with the Company's most recent financial statements except in the event of joint liability in joint ventures with other companies in the same industry: \$7,810,823 thousand \times 2 = \$15,621,646 thousand

The total amount of endorsements/guarantees provided to a single business is limited to two times the net equity value in accordance with the Company's most recent financial statements: \$7,810,823 thousand \times 2 = \$15,621,646 thousand

According to the policy of CDC, the total amount of endorsements/guarantees is limited to two times the net equity value in accordance with the Company's most recent financial statements: \$16,823,089 thousand \times 2 = \$33,646,178 thousand

The total amount of endorsements/guarantees provided to a single business is limited to two times the net equity value in accordance with the Company's most recent financial statements: \$16,823,089 thousand \times 2 = \$33,646,178 thousand

According to the policy of CCD the total amount of endorsements/guarantees is limited to four times the net equity value in accordance with the Company's most recent financial statements: \$2,733,334 thousand \times 4 = \$10,933,336 thousand

The total amount of endorsements/guarantees provided to a single business is limited to four times the net equity value in accordance with the Company's most recent financial statements: \$2,733,334 thousand \times 4 = \$10,933,336 thousand

According to the policy of HDEC, the total amount of endorsements/guarantees is limited to eight times the net equity value in accordance with the Company's most recent financial statements: \$5,325,807 thousand \times 8 = \$42,606,456 thousand

The total amount of endorsements/guarantees provided to a single business is limited to eight times the net equity value in accordance with the Company's most recent financial statements: \$5,325,807 thousand \times 8 = \$42,606,456 thousand

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According to the policy of SDC, the total amount of endorsements/guarantees is limited to eight times the net equity value in accordance with the Company's most recent financial statements: \$50,977 thousand \times 8 = \$407,816 thousand

The total amount of endorsements/guarantees provided to a single business is limited to eight times the net equity value in accordance with the Company's most recent financial statements: \$50,977 thousand \times 8 = \$407,816 thousand

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

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

(iii) Securities held as of June 30, 2024 (excluding investment in subsidiaries, associates and joint ventures):

(In Thousands of New Taiwan Dollars)

Name of holder	Category and name of security	Relationship with company	Account name	Ending balance				Note
				Shares/Units (thousands)	Carrying value	Percentage of ownership (%)	Fair value	
CEC	Evergreen Steel Corp.	-	Non-current financial assets at fair value through other comprehensive income	25,645,907	3,577,603	6.15 %	3,577,603	
CEC	Xinrong Enterprise	-	Non-current financial assets at fair value through other comprehensive income	12,256,347	700,770	8.45 %	700,770	
CEC	Metro Consulting Service Ltd.	-	Non-current financial assets at fair value through other comprehensive income	300,000	3,690	6.00 %	3,690	
CEC	International Property & Finance Co., Ltd.	-	Non-current financial assets at fair value through other comprehensive income	26,301	-	1.64 %	-	
CEC	Shin Yu Energy Development Co., Ltd.	-	Non-current financial assets at fair value through other comprehensive income	22,405,297	-	9.00 %	-	
CDC	Grand River D. Limited	-	Non-current financial assets at fair value through profit or loss	51,436,803	1,068,858	10.00 %	1,068,858	

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

(v) Acquisition of individual real estate with amount exceeding the lower of NT\$300 million or 20% of the capital stock: None

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

(In Thousands of New Taiwan Dollars)

Name of company	Type of property	Transaction date	Acquisition date	Book value	Transaction amount	Amount actually receivable	Gain from disposal	Counter-party	Nature of relationship	Purpose of disposal	Price reference	Other terms
CDC	55 Timeless-Inventory	2024.05.13	Not applicable	-	367,500	367,500	-	Natural person	Not related party	Profit	Evaluation report	-

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

(In Thousands of New Taiwan Dollars)

Name of company	Related party	Relationship	Transaction details				Transactions with terms different from others		Notes/Accounts receivable (payable)		Note
			Purchase/Sale	Amount	Percentage of total purchases/sales	Payment terms	Unit price	Payment terms	Ending balance	Percentage of total notes/accounts receivable (payable)	
CEC	CDC	Related party of the Company	Construction contract	(1,137,730) (Note 3)	11.46%	Same as those in general transactions	-	-	659,647 (Note 3)	12.14%	Note 1
CDC	CEC	Related party of the Company	Construction project	1,137,730 (Note 3)	16.93%	Same as those in general transactions	-	-	(659,647) (Note 3)	52.48%	
CEC	Fanlu	Associate	Construction contract	(373,480)	3.76%	Same as those in general transactions	-	-	122,198	2.25%	Note 1
Fanlu	CEC	Associate	Construction project	373,480	39.26%	Same as those in general transactions	-	-	(122,198)	87.98%	
HDEC	PDC	Parent and subsidiary	Construction contract	(108,165) (Note 3)	6.12%	Same as those in general transactions	-	-	84,599 (Note 3)	7.10%	Note 1
PDC	HDEC	Parent and subsidiary	Construction project	108,165 (Note 3)	72.23%	Same as those in general transactions	-	-	(84,599) (Note 3)	92.02%	
SDC	HDEC	Parent and subsidiary	Construction contract	(111,258) (Note 3)	82.38%	Same as those in general transactions	-	-	37,295 (Note 3)	75.79%	Note 1
HDEC	SDC	Parent and subsidiary	Construction project	111,258 (Note 3)	6.92%	Same as those in general transactions	-	-	(37,295) (Note 3)	9.86%	
HDEC	CXC	Parent and subsidiary	Construction contract	(399,601) (Note 3)	22.59%	Same as those in general transactions	-	-	285,908 (Note 3)	23.98%	Note 1
CXC	HDEC	Parent and subsidiary	Construction project	399,601 (Note 3)	40.60%	Same as those in general transactions	-	-	(285,908) (Note 3)	59.91%	
HDEC	CTC	Parent and subsidiary	Construction contract	(725,037) (Note 3)	40.99%	Same as those in general transactions	-	-	180,164 (Note 3)	15.11%	Note 1
CTC	HDEC	Parent and subsidiary	Construction project	725,037 (Note 3)	100.00%	Same as those in general transactions	-	-	(180,164) (Note 3)	99.26%	

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Name of company	Related party	Relationship	Transaction details				Transactions with terms different from others		Notes/Accounts receivable (payable)		Note
			Purchase/Sale	Amount	Percentage of total purchases/sales	Payment terms	Unit price	Payment terms	Ending balance	Percentage of total notes/accounts receivable (payable)	
HDEC	CTCI-HDEC	Associate	Construction contract	(278,190) (Note 3)	15.73%	Same as those in general transactions	-	-	128,481 (Note 3)	10.78%	Note 1
CTCI-HDEC	HDEC	Associate	Construction project	279,190 (Note 3)	92.96%	Same as those in general transactions	-	-	(128,481) (Note 3)	50.38%	

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

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

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

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

(In Thousands of New Taiwan Dollars)

Name of company	Counter-party	Relationship	Ending balance	Turnover rate	Overdue		Amounts received in subsequent period	Allowance for bad debts
					Amount	Action taken		
CEC	CDC	Related party of the Company	Accounts receivable 659,647	3.50	-	-	281,033	-
CEC	Fanlu	Associate	Accounts receivable 122,198	7.29	-	-	-	-
HDEC	CXC	Parent and subsidiary	Accounts receivable 285,908	3.43	-	-	-	-
HDEC	CTC	Parent and subsidiary	Accounts receivable 180,164	10.95	-	-	122,924	-
HDEC	CTCI-HDEC	Associate	Accounts receivable 128,481	4.30	-	-	12,322	-

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

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

(ix) Derivatives transactions:

As of June 30, 2024, the Group's Forward Exchange Agreement JPY3,229,500 thousand hedging instruments in amounts of USD2,603 thousand, JPY3,218 thousand and EUR131 thousand, GBP11 thousand and HKD164 thousand.

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(x) Business relationships and significant intercompany transactions:

(In Thousands of New Taiwan Dollars)

No.	Name of company	Name of counter-party	Relationship	Intercompany transactions			
				Account name	Amount	Trading terms	Percentage of the consolidated net revenue or total assets
0	CHC	HDEC	1	Non-current other assets-other	500,000	Same as those in normal transactions	0.61%
		HDEC	1	Other receivables	5,273	Same as those in normal transactions	0.01%
		HDEC	1	Interest revenues	8,903	Same as those in normal transactions	0.06%
1	CCLC	CEC	3	Operating revenues	84,229	Same as those in normal transactions	0.57%
		CDC	3	Operating revenues	19,676	Same as those in normal transactions	0.13%
		HDEC	3	Operating revenues	29,066	Same as those in normal transactions	0.20%
		CEC	3	Accounts receivable	13,428	Same as those in normal transactions	0.02%
2	CEC	CDC	3	Operating revenues	1,137,730	Same as those in normal transactions	7.66%
		CDC	3	Accounts receivable	287,491	Same as those in normal transactions	0.35%
		CDC	3	Contract assets	373,943	Same as those in normal transactions	0.46%
		CDC	3	Other receivables	500,003	Same as those in normal transactions	0.61%
2	CCLC	CCLC	3	Administrative expenses	84,229	Same as those in normal transactions	0.57%
		CCLC	3	Other payables	13,428	Same as those in normal transactions	0.02%
3	CDC	CEC	3	Operating costs	1,137,730	Same as those in normal transactions	7.66%
		CEC	3	Accounts payable	661,434	Same as those in normal transactions	0.81%
		CEC	3	Other payables	500,003	Same as those in normal transactions	1.07%
		MEGA	3	Other receivables	865,911	Same as those in normal transactions	1.06%
		Bangsar	3	Other receivables	327,928	Same as those in normal transactions	0.40%
		CCLC	3	Administrative expenses	19,676	Same as those in normal transactions	0.13%
		CCD	3	Non-current other assets-other	165,000	Same as those in normal transactions	0.20%
		CDC	3	Other payables	865,911	Same as those in normal transactions	1.06%
4	MEGA	CDC	3	Other payables	865,911	Same as those in normal transactions	1.06%
		CDC	3	Other payables	327,928	Same as those in normal transactions	0.40%
6	HDEC	CHC	2	Non-current other liabilities-other	500,000	Same as those in normal transactions	0.61%
		CHC	2	Other payables	5,273	Same as those in normal transactions	0.01%
		CHC	2	Interest expense	8,903	Same as those in normal transactions	0.06%
		NSC	3	Operating revenues	87,000	Same as those in normal transactions	0.59%
		NSC	3	Account receivable	29,958	Same as those in normal transactions	0.04%
		SDC	3	Operating cost	111,258	Same as those in normal transactions	0.75%
		SDC	3	Account payable	37,295	Same as those in normal transactions	0.05%
		PDC	3	Operating revenues	108,096	Same as those in normal transactions	0.73%
		PDC	3	Account receivable	23,137	Same as those in normal transactions	0.03%
		PDC	3	Contract assets	61,462	Same as those in normal transactions	0.08%
		CTC	3	Operating revenues	725,037	Same as those in normal transactions	4.88%
		CTC	3	Account receivable	122,924	Same as those in normal transactions	0.15%
		CTC	3	Contract assets	57,240	Same as those in normal transactions	0.07%
		CXC	3	Operating revenues	399,601	Same as those in normal transactions	2.69%
		CXC	3	Account receivable	235,924	Same as those in normal transactions	0.29%
CXC	3	Contract assets	49,984	Same as those in normal transactions	0.06%		
CCLC	3	Administrative expenses	29,066	Same as those in normal transactions	0.20%		

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CONTINENTAL HOLDINGS CORPORATION
Notes to Consolidated Financial Statements

No.	Name of company	Name of counter-party	Relationship	Intercompany transactions			
				Account name	Amount	Trading terms	Percentage of the consolidated net revenue or total assets
7	NSC	HDEC	3	Operating cost	87,000	Same as those in normal transactions	0.59%
		HDEC	3	Accounts payable	29,958	Same as those in normal transactions	0.04%
8	SDC	HDEC	3	Operating revenue	111,258	Same as those in normal transactions	0.75%
		HDEC	3	Accounts receivable	13,068	Same as those in normal transactions	0.02%
		HDEC	3	Contract assets	24,227	Same as those in normal transactions	0.03%
		PDC	3	Operating revenue	18,089	Same as those in normal transactions	0.12%
9	PDC	PDC	3	Accounts receivable	962	Same as those in normal transactions	-%
		PDC	3	Contract assets	5,210	Same as those in normal transactions	0.01%
		HDEC	3	Operating cost	108,096	Same as those in normal transactions	0.73%
		HDEC	3	Accounts payable	84,599	Same as those in normal transactions	0.11%
		SDC	3	Operating cost	18,089	Same as those in normal transactions	0.12%
		SDC	3	Accounts payable	6,172	Same as those in normal transactions	0.01%
10	CTC	HDEC	3	Operating cost	725,037	Same as those in normal transactions	4.88%
		HDEC	3	Accounts payable	180,164	Same as those in normal transactions	0.22%
11	CXC	HDEC	3	Operating cost	399,601	Same as those in normal transactions	2.69%
		HDEC	3	Accounts payable	285,908	Same as those in normal transactions	0.35%

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

- 1) 0 represents the Company.
- 2) 1~11 represent subsidiaries

Note 2: Relationships are as follows:

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

(b) Information on investees:

(In Thousands of New Taiwan Dollars)

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Balance as of June 30, 2024			Net income (losses) of investee	Share of profits/losses of investee	Note
				June 30, 2024	December 31, 2023	Shares	Percentage of ownership	Carrying value			
CHC	CEC	Taiwan	Civil, Building and M&E engineering	6,884,583	6,884,583	372,061,987	99.99 % (Note 2)	7,632,927	319,871	305,352	Note 1
CHC	CDC	Taiwan	Real estate development on residential, commercial, hotels and communities	6,220,745	6,220,745	601,419,561	99.99 % (Note 2)	16,823,087	331,999	331,999	Note 1
CHC	HDEC	Taiwan	Environmental project development & Water treatment	2,860,365	2,860,365	362,499,866	99.99 % (Note 3)	5,325,805	275,744	275,744	Note 1
CHC	CCLC	Taiwan	Management consulting	20,000	20,000	-	100.00 %	24,659	2,319	2,319	-

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Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Balance as of June 30, 2024			Net income (losses) of investee	Share of profits/losses of investee	Note
				June 30, 2024	December 31, 2023	Shares	Percentage of ownership	Carrying value			
CEC	CICI	India	Civil and Building engineering	497,839	497,839	73,981,492	100.00 %	-	25,841	Disclosure not required	-
CEC	CIC	British Virgin Islands	Investment and holding	2,048,252	2,048,252	64,380,940	100.00 %	1,611	(5,187)	"	-
CEC	CIMY	Malaysia	Civil and Building engineering	179,257	179,257	22,340,476	85.14 %	5,633	(222)	"	-
CEC	CEC HK	Hong Kong	Civil and Building engineering	10,815	10,815	3,000,000	100.00 %	923	(26)	"	-
CDC	BANGSAR	Malaysia	Real estate development on residential	4,444	4,444	600,000	60.00 %	(23,100)	(4,936)	"	-
CDC	CCD	Taiwan	Real estate lease	976,539	976,539	48,198,292	80.65 %	2,178,841	(31,734)	"	-
CDC	Fanlu	Taiwan	Real estate development on residential and hotels	915,950	915,950	91,595,000	35.00 %	749,533	(77,918)	"	-
CDC	MEGA	Malaysia	Real estate development on hotels	7,375	7,375	825,000	55.00 %	(147,677)	(36,986)	"	-
CDC	CDC US.	The U.S.	Investment and holding	4,176,987	4,132,782	5,000,000	100.00 %	3,230,144	(394,026)	"	-
CDC	CDCAM	Malaysia	Management consulting	7,524	7,524	1,000,000	100.00 %	9,430	584	"	-
HDEC	SDC	Taiwan	Construction of underground pipeline and environmental protection project, plumbing	49,600	49,600	3,000,000	100.00 %	43,415	5,115	"	-
HDEC	NSC	Taiwan	Environmental project	1,112,000	1,112,000	166,000,000	100.00 %	2,760,159	81,774	"	-
HDEC	BWC	Taiwan	Environmental project	362,100	362,100	37,740,000	51.00 %	426,898	46,262	"	-
HDEC	PDC	Taiwan	Environmental project	540,000	540,000	63,026,000	100.00 %	651,484	11,188	"	-
HDEC	CTCI - HDEC	Taiwan	Environmental project	786,940	735,000	73,500,000	49.00 %	850,511	58,496	Disclosure not required	-
HDEC	LHC	Taiwan	Environmental project	550,000	550,000	56,100,000	55.00 %	609,349	46,682	"	-
HDEC	CTC	Taiwan	Environmental project	450,000	450,000	45,000,000	100.00 %	460,275	10,083	"	-
HDEC	CXC	Taiwan	Environmental project	1,000,000	1,000,000	102,891,000	100.00 %	1,078,442	46,312	"	-
CCLC	CEC	Taiwan	Civil, Building and M&E engineering	1	1	84	- % (Note 4)	2	319,871	"	-
CCLC	CDC	Taiwan	Real estate development on residential, commercial, hotels and communities	3	3	102	- % (Note 4)	3	331,999	"	-
CCLC	HDEC	Taiwan	Environmental project development & Water treatment	1	1	134	- % (Note 5)	2	275,744	"	-

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

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

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

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

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

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CONTINENTAL HOLDINGS CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(c) Information on investment in Mainland China: None

(d) Major shareholders:

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

(14) Segment information

For the three months ended June 30, 2024						
	Construction Engineering	Real Estate Development	Environmental project Development & Water Treatment	Investment	Adjustment and write-off	Total
Revenue:						
Segment revenues from external customers	\$ 4,581,027	2,411,841	1,691,144	-	-	8,684,012
Intersegment revenues	626,774	-	-	794,263	(1,421,037)	-
Total revenues	<u>\$ 5,207,801</u>	<u>2,411,841</u>	<u>1,691,144</u>	<u>794,263</u>	<u>(1,421,037)</u>	<u>8,684,012</u>
Reportable segment profit or loss	<u>\$ 255,598</u>	<u>219,252</u>	<u>213,567</u>	<u>698,073</u>	<u>(723,024)</u>	<u>663,466</u>
For the three months ended June 30, 2023						
	Construction Engineering	Real Estate Development	Environmental project Development & Water Treatment	Investment	Adjustment and write-off	Total
Revenue:						
Segment revenues from external customers	\$ 4,919,176	2,133,804	1,047,124	-	-	8,100,104
Intersegment revenues	639,370	-	-	715,186	(1,354,556)	-
Total revenues	<u>\$ 5,558,546</u>	<u>2,133,804</u>	<u>1,047,124</u>	<u>715,186</u>	<u>(1,354,556)</u>	<u>8,100,104</u>
Reportable segment profit or loss	<u>\$ 427,991</u>	<u>80,725</u>	<u>130,226</u>	<u>628,436</u>	<u>(694,830)</u>	<u>572,548</u>
For the six months ended June 30, 2024						
	Construction Engineering	Real Estate Development	Environmental project Development & Water Treatment	Investment	Adjustment and write-off	Total
Revenues:						
Segment revenues from external customers	\$ 8,627,049	3,218,281	2,999,631	-	-	14,844,961
Intersegment revenues	1,168,515	-	-	1,048,385	(2,216,900)	-
Total revenues	<u>\$ 9,795,564</u>	<u>3,218,281</u>	<u>2,999,631</u>	<u>1,048,385</u>	<u>(2,216,900)</u>	<u>14,844,961</u>
Reportable segment profit or loss	<u>\$ 319,847</u>	<u>3,385</u>	<u>388,392</u>	<u>851,239</u>	<u>(929,933)</u>	<u>632,930</u>

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	For the six months ended June 30, 2023					
	Construction Engineering	Real Estate Development	Environmental project Development & Water Treatment	Investment	Adjustment and write-off	Total
Revenues:						
Segment revenues from external customers	\$ 9,042,110	3,832,313	1,894,964	-	-	14,769,387
Intersegment revenues	<u>1,046,731</u>	<u>-</u>	<u>-</u>	<u>1,080,507</u>	<u>(2,127,238)</u>	<u>-</u>
Total revenues	<u>\$ 10,088,841</u>	<u>3,832,313</u>	<u>1,894,964</u>	<u>1,080,507</u>	<u>(2,127,238)</u>	<u>14,769,387</u>
Reportable segment profit or loss	<u>\$ 508,096</u>	<u>96,898</u>	<u>292,785</u>	<u>895,516</u>	<u>(1,020,279)</u>	<u>773,016</u>