

Continental Holdings Corporation
2025 Annual Shareholders' Meeting Minutes
(The English version is a translation of the original Chinese. In case of any
discrepancies, Chinese version shall prevail.)

Date and Time: 9:00 a.m., June 17, 2025

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

Number of Shares Represented:

Shareholders and proxies representing 545,615,297 shares, including 500,112,662 shares represented via electronic voting, were in attendance, accounting for 66.27% of the Company's 823,215,980 issued and outstanding shares.

Directors Present: Chairman Nita Ing (Rep. of Wei-Dar Development Co., Ltd), Ms. Helena Kuo (Rep. of Wei-Dar Development Co., Ltd), Mr. John Huang (Rep. of Han-De Construction Co., Ltd), Mr. Hsiung Chiang (Rep. of Han-De Construction Co., Ltd), Independent Director Mr. Frank Juang, Independent Director Ms. Jolien Shu, and Independent Director Ms. Wilma Wei.

In Attendance:

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

KPMG: Mr. Chung-Che Chen

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

Minute taker: Ms. Peggy Lin

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

II. Chairperson's Remarks: (omitted)

III. Report Items

1. To report the distribution of 2024 employees' compensation and Directors' remuneration
(Proposed by the Board of Directors)

Explanatory Notes:

The Company's employees compensation and Directors remuneration for 2024 was approved at the 6th Meeting of the 6th Board of Directors in accordance with the Company Act and Article 29-1 of the Company's Articles of Incorporation. NT\$6,772,090 in cash was to be distributed as employee compensation while no Director's remuneration was to be issued.

Acknowledged.

2. To report the distribution of 2024 cash dividend
(Proposed by the Board of Directors)

Explanatory Notes:

- (1) According to Article 31 of the Company's Articles of Incorporation. The Board of Directors is authorized to distribute some or all of dividends and bonuses in cash. The distribution shall be reported to the shareholders' meeting.
- (2) The Company will distribute cash dividends of NT\$864,376,779 from 2024 earnings available for distribution at NT\$1.05 per share.
- (3) The cash dividends will be calculated based on the distribution ratio and rounded to NT\$ dollar. For the remainder less than NT\$1 will be distributed according the decimal number of the original distributed amount in descending order until the total distribution amount of cash dividends is met.
- (4) The Board of Directors has approved the distribution and authorized the Chairman to determine enact ex-dividend date, dividend payment date and handle all the matters related to the allocation of dividends based on the actual situation.

Acknowledged.

Statement Summary:

Shareholder (Account Number 00045279) stated that the Company is financially solid and stable, and suggested that it further leverage the competitive advantages of its three major subsidiaries, adjust proportion of revenues contributed by each, focus on expanding

high-margin plant construction projects, and recruit professionals with expertise in strategy and risk management to enhance the Company's operating efficiency and momentum for business transformation. The Chairperson expressed appreciation to the shareholder for his long-term support and suggestions, and responded that the abovementioned suggestions are currently under internal discussion and planning.

IV. Approval and Discussion Items

1. Approval of 2024 Business Report and Financial Statements

(Proposed by the Board of Directors)

Explanatory Notes:

The Company's 2024 Financial Statements (see Attachment I) were audited by independent auditors, Mr. Chung-Che Chen and Ms. Shu-Ying Chang of KPMG Taiwan. After reviewing these financial statements and 2024 Business Report (see Attachment I), the Company's Audit Committee found no inconsistencies, and then issued Audit Committee's Review Report (see Attachment I).

Statement Summary:

Shareholder (Account Number 00068447) inquired about the reason for the recent financial losses, improvement measures, and follow-up plans regarding the Company's San Francisco project in the United States. The Chairperson designated the Company's Chief Executive Officer to explain that the residential portion of the project is being sold according to the Company's plan; the hotel underwent a rebranding and adjustments to the onsite operations team last year, resulting in an improved occupancy rate compared to the previous year; and the retail businesses continue to operate. While the project as a whole still has room for improvement, the overall performance is showing positive results.

Resolved: The voting results for this proposal was as follows:

Total number of shareholder votes represented (including electronic votes):
545,615,297

Voting results	Number of Voting Shares	% of Total Represented Shareholding
In favor	531,139,981 (Including 487,378,363 electronic votes)	97.35%
Against	244,016 (Including 244,016 electronic votes)	0.04%
Invalid	0	0.00%
Abstention/not Votes	14,231,300 (Including 12,490,283 electronic votes)	2.61%

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

2. Approval of the proposal for appropriation of 2024 earnings

(Proposed by the Board of Directors)

Explanatory Notes:

- (1) The proposed appropriation of 2024 earnings was approved by the Audit Committee and the Board of Directors of the Company.
- (2) The proposed 2024 earnings distribution table is as below.

Continental Holdings Corporation 2024 Earnings Distribution Table

Unit: NTD

Unappropriated Retained Earnings of Previous Years	5,382,729,524
Plus (Less)	
Reversal of Special Reserve	1,355,142,491
Remeasurement of Defined Benefit Obligation	389,178
Net Income of 2024	<u>1,174,631,509</u>

Earnings Available for Distribution	7,912,892,702
Less: Legal Reserve	(253,016,318)
Distribution Item:	
Cash Dividend to Common Shareholders@1.05	(864,376,779)
Unappropriated Retained Earnings	6,795,499,605

Chairman: Nita Ing Manager: Cindy Chang Chief Accountant: Gary Hsieh

Statement Summary:

There being no questions raised by the shareholders.

Resolved: The voting results for this proposal was as follows:

Total number of shareholder votes represented (including electronic votes):

545,615,297

Voting Results	Number of Voting Shares	% of Total Represented Shareholding
In favor	531,140,180 (Including 487,378,562 electronic votes)	97.35%
Against	301,147 (Including 301,147 electronic votes)	0.06%
Invalid	0	0.00%
Abstention/not votes	14,173,970 (Including 12,432,953 electronic votes)	2.60%

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

3. Amendment to “Articles of Incorporation”

(Proposed by the Board of Directors)

Explanatory Notes:

Article 14, paragraph 6 of the Securities and Exchange Act stipulates that a company shall specify in its articles of incorporation that a certain percentage of its annual earnings shall be allocated for salary adjustments or compensation distributions for its non-executive employees. Therefore, article 29-1, paragraph 3 of the Company's Articles of Incorporation is added to explicitly specify the percentage of annual earnings to be allocated for the compensation distributions for non-executive employees, and the current paragraph 3 is renumbered as paragraph 4 and amended accordingly. The Comparison Table of the Articles of Incorporation Before and After Revision is attached hereto as Attachment II.

Statement Summary:

There being no questions raised by the shareholders.

Resolved: The voting results for this proposal was as follows:

Total number of shareholder votes represented (including electronic votes):

545,615,297

Voting Results	Number of Voting Shares	% of Total Represented Shareholding
In favor	531,538,889 (Including 487,777,271 electronic votes)	97.42%
Against	158,987 (Including 158,987 electronic votes)	0.03%
Invalid	0	0.00%
Abstention/not votes	13,917,421 (Including 12,176,404 electronic votes)	2.55%

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

4. To release non-competition restrictions on a member of the Board of Directors
(Proposed by the Board of Directors)

Explanatory Notes:

- (1) Article 209, paragraph 1 of the Company Act provides “A Director who does anything for himself or on behalf of another person that is within the scope of the company's business, shall explain to the meeting of shareholders the essential contents of such an act and secure its approval.”
- (2) Without prejudice to the Company’s interests, it is proposed to resolve the release of the non-competition restrictions on Mr. Frank Juang as an independent director of Wistron Corporation.

Statement Summary:

There being no questions raised by the shareholders.

Resolved: The voting results for this proposal was as follows:

Total number of shareholder votes represented (including electronic votes):

545,615,297

Voting Results	Number of Voting Shares	% of Total Represented Shareholding
In favor	490,072,015 (Including 446,310,397 electronic votes)	89.82%
Against	41,582,303 (Including 41,582,303 electronic votes)	7.62%
Invalid	0	0.00%
Abstention/not votes	13,960,979 (Including 12,219,962 electronic votes)	2.56%

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

V. Other Business and Extraordinary Motion: None

VI. Adjourned: Meeting adjourned at 9:30 a.m., June 17, 2025.

Note: The minutes of this shareholders' meeting are prepared in accordance with Article 183, Paragraph 4 of the Company Act, and record the proceedings and their results. For the content and procedures details of the meeting, the video and audio recordings shall prevail.

Attachment I

2024 Business Report, Financial Statements and Audit Committee's Review Report

1. 2024 Business Report

In 2024, Continental Holdings Corporation (CHC) Group maintained steady growth and development thanks to the continuous promotion of government public construction, the successive commencement of several large-scale civil development plans, and the great efforts of our colleagues and their resilience in responding to challenges. However, the continual impact of global inflation, fluctuating interest rates, and the government's continuous adoption of housing market control measures affected the Group's residential housing deliveries in the second half of the year. In 2024, the consolidated revenue of the Group reached NT\$30.701 billion, in line with the previous year; the net operating profit was NT\$1.249 billion, down by 43% compared with the previous year; and net profit after tax was NT\$1.175 billion with earnings per share of NT\$1.43, down by 32% compared with the previous year.

Continental Engineering Corporation (CEC), a subsidiary of the Group, continued to develop core markets and expanded into diversified fields in 2024. CEC successively contracted new projects, including CJ17 for the Taoyuan Railway Underground Project (Chungli Train Station), the Taipei MRT South Circular Line CF670A Project, the Taipei MRT North Circular Line CF690B Project, the Nangang Rail Yard Urban Renewal Project (Unit 1), and Nangang Depot Social Housing Zone 2, presenting a record high revenue backlog and laying a stable foundation for the construction business in the coming years. The main projects currently under construction include large-scale public works and a variety of civil development projects, such as the Nangang Rail Yard Urban Renewal Project, the Taoyuan MRT Green Line, the Taipei MRT Circular Line Sections, the Tainan Urban District Railway Underground Project, and Zuoying Naval Base.

Continental Development Corporation (CDC) presale projects in 2024 including "Green Utopia", "Poetic Yard" and "Grove Mansion", which were highly appreciated by the market, and sales of the projects brought in considerable revenue backlog. Looking to 2025, CDC plans to recognize the profits from "Belle Époque" and "Sensuous Garden" as well as other residential projects. In addition to more than a dozen ongoing real estate projects, CDC has also acquired new projects in Taipei City, New Taipei City, Hsinchu City and Taichung City, and will continually expand its project pipeline in potential markets, laying a sustainable and long-lasting profiting foundation for the future.

In 2024, HDEC Corporation (HDEC), another subsidiary of the Group, continued to advance the Tainan Chengxi Incineration Plant and Kaohsiung Qiaotou Recycling Water Plant construction works, and commenced operations with the Phase I of Zhongli Water Resources. HDEC also acquired a new project – STSP Chiayi Science Park Wastewater Treatment Plant New Construction Project. With such ongoing business development, HDEC aims to improve project and operational management capabilities, strengthen risk control, and create record-high profits.

Adhering to the concept of ESG, CHC Group remains committed to improving energy utilization efficiency, investing in the utilization of water resources and renewable energy sources, placing emphasis on talent development, and implementing ethical management policies. Looking to the future, we will continually strengthen our operational resilience, develop core our business areas, and strive to enhance our long-term corporate value.

2. Continental Holdings Corporation Financial Statements

CONTINENTAL HOLDINGS CORPORATION

Balance Sheets

December 31, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollars)

		December 31, 2024		December 31, 2023	
		Amount	%	Amount	%
Assets					
Current assets:					
1100	Cash and cash equivalents	\$ 101,212	-	19,207	-
1200	Other receivables	310,936	1	21,734	-
1220	Current tax assets	750	-	750	-
1410	Prepayments	190	-	21	-
		413,088	1	41,712	-
Non-current assets:					
1550	Investments accounted for using equity method	29,221,215	99	28,703,084	96
1600	Property, plant and equipment	5,623	-	2,699	-
1755	Right-of-use assets	36,478	-	48,638	-
1920	Guarantee deposits paid	1	-	1	-
1990	Other non-current assets, others	-	-	1,000,000	4
		29,263,317	99	29,754,422	100
Total assets		\$ 29,676,405	100	29,796,134	100

		December 31, 2024		December 31, 2023	
		Amount	%	Amount	%
Liabilities and Equity					
Current liabilities:					
2100	Short-term loans	\$ 200,000	1	65,000	-
2200	Other payables	53,672	-	51,239	-
2230	Current tax liabilities	126,128	-	253,877	1
2280	Current lease liabilities	12,324	-	11,738	-
2399	Other current liabilities, others	551	-	594	-
		392,675	1	382,448	1
Non-Current liabilities:					
2530	Bonds payable	1,999,278	7	1,998,555	7
2580	Non-current lease liabilities	25,307	-	37,631	-
2640	Net defined benefit liability, non-current	24,484	-	25,363	-
		2,049,069	7	2,061,549	7
	Total liabilities	2,441,744	8	2,443,997	8
Equity attributable to owners of parent:					
3100	Capital stock	8,232,160	28	8,232,160	28
3200	Capital surplus	6,884,015	23	6,817,198	23
3300	Retained earnings	10,420,629	35	10,469,230	35
3400	Other equity	1,697,857	6	1,833,549	6
	Total equity	27,234,661	92	27,352,137	92
	Total liabilities and equity	\$ 29,676,405	100	29,796,134	100

CONTINENTAL HOLDINGS CORPORATION

Statements of Comprehensive Income

For the years ended December 31, 2024 and 2023

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

	2024		2023	
	Amount	%	Amount	%
4000 Operating revenues	\$ 1,490,525	100	2,121,624	100
5000 Operating costs	-	-	-	-
Gross profit from operations	1,490,525	100	2,121,624	100
Operating expenses:				
6200 Administrative expenses	144,445	10	146,771	7
Net operating income	1,346,080	90	1,974,853	93
Non-operating income and expenses:				
7100 Interest income	15,164	1	20,157	1
7020 Other gains and losses, net	14,660	1	13,521	1
7050 Finance costs, net	(28,258)	(2)	(26,243)	(1)
	1,566	-	7,435	1
Income before tax	1,347,646	90	1,982,288	94
7950 Less: Income tax expenses	173,014	11	265,552	13
Net income	1,174,632	79	1,716,736	81
8300 Other comprehensive income (loss):				
8310 Item that will not be reclassified to profit or loss				
8311 Remeasurements of defined benefit plans	486	1	204	-
8330 Share of other comprehensive income of subsidiaries accounted for using equity method, components of other comprehensive income that will not be reclassified to profit or loss	(295,692)	(21)	1,343,612	63
8349 Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	(2,898)	-	4,903	-
Components of other comprehensive income that will not be reclassified to profit or loss	(298,104)	(20)	1,348,719	63
8360 Item that will be reclassified to profit or loss				
8380 Share of other comprehensive income of subsidiaries accounted for using equity method, components of other comprehensive income that will be reclassified to profit or loss	254,951	17	21,798	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	254,951	17	21,798	1
8300 Other comprehensive income (loss)	(43,153)	(3)	1,370,517	64
8500 Total comprehensive income	\$ 1,131,479	76	3,087,253	145
Earnings per share				
9750 Basic earnings per share (NT dollars)	\$ 1.43		2.09	
9850 Diluted earnings per share (NT dollars)	\$ 1.43		2.08	

Chairman : Nita Ing

Manager : Cindy Chang

Chief Accountant : Gary Hsieh

CONTINENTAL HOLDINGS CORPORATION

Statements of Changes in Equity

For the years ended December 31, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollars)

	Retained earnings						Total other equity				
	Capital stock	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Total	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	Gains (losses) on hedging instruments	Total	Total equity
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
Net income	-	-	-	-	1,716,736	1,716,736	-	-	-	-	1,716,736
Other comprehensive income (loss)	-	-	-	-	(19,612)	(19,612)	21,798	1,387,325	(18,994)	1,390,129	1,370,517
Total comprehensive income (loss)	-	-	-	-	1,697,124	1,697,124	21,798	1,387,325	(18,994)	1,390,129	3,087,253
Appropriation and distribution of retained earnings:											
Legal reserve appropriated	-	-	293,164	-	(293,164)	-	-	-	-	-	-
Cash dividends	-	-	-	-	(2,058,040)	(2,058,040)	-	-	-	-	(2,058,040)
Balance at December 31, 2023	8,232,160	6,817,198	1,419,731	2,262,233	6,787,266	10,469,230	(673,352)	2,527,444	(20,543)	1,833,549	27,352,137
Net income	-	-	-	-	1,174,632	1,174,632	-	-	-	-	1,174,632
Other comprehensive income (loss)	-	-	-	-	11,591	11,591	254,951	(331,830)	22,135	(54,744)	(43,153)
Total comprehensive income (loss)	-	-	-	-	1,186,223	1,186,223	254,951	(331,830)	22,135	(54,744)	1,131,479
Appropriation and distribution of retained earnings:											
Legal reserve appropriated	-	-	169,713	-	(169,713)	-	-	-	-	-	-
Cash dividends	-	-	-	-	(1,234,824)	(1,234,824)	-	-	-	-	(1,234,824)
Reversal of special reserve	-	-	-	(1,355,143)	1,355,143	-	-	-	-	-	-
Changes in ownership interests of subsidiaries	-	66,817	-	-	-	-	-	-	-	-	66,817
Disposal of subsidiaries	-	-	-	-	-	-	(80,948)	-	-	(80,948)	(80,948)
Balance at December 31, 2024	<u>\$ 8,232,160</u>	<u>6,884,015</u>	<u>1,589,444</u>	<u>907,090</u>	<u>7,924,095</u>	<u>10,420,629</u>	<u>(499,349)</u>	<u>2,195,614</u>	<u>1,592</u>	<u>1,697,857</u>	<u>27,234,661</u>

Chairman : Nita Ing

Manager : Cindy Chang

Chief Accountant : Gary Hsieh

CONTINENTAL HOLDINGS CORPORATION

Statements of Cash Flows

For the years ended December 31, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollars)

	2024	2023
Cash flows from operating activities:		
Income before tax	\$ 1,347,646	1,982,288
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	13,147	13,604
Interest expense	27,535	25,520
Interest income	(15,164)	(20,157)
Amortization of issuance costs on bonds payable	723	723
Gain on disposal of property, plant and equipment	(290)	-
Investment revenues	(1,490,525)	(2,121,624)
Total adjustments to reconcile profit	(1,464,574)	(2,101,934)
Changes in operating assets and liabilities:		
Changes in operating assets:		
Other receivables	(1,439)	558
Prepayments	(169)	139
Total changes in operating assets	(1,608)	697
Changes in operating liabilities:		
Other payables	(4,765)	(523)
Other current liabilities	(43)	20
Net defined benefit liability	(490)	308
Total changes in operating liabilities	(5,298)	(195)
Total changes in operating assets and liabilities	(6,906)	502
Total adjustments	(1,471,480)	(2,101,432)
Cash outflow generated from operations	(123,834)	(119,144)
Interest received	27,401	15,932
Dividends received	914,721	2,240,858
Interest paid	(27,489)	(25,500)
Income taxes paid	(293,611)	(168,222)
Net cash flows from operating activities	497,188	1,943,924
Cash flows from investing activities:		
Acquisition of property, plant and equipment	(4,402)	(110)
Disposal of property, plant and equipment	781	-
Other receivables	700,000	-
Net cash flows from (used in) investing activities	696,379	(110)
Cash flows from financing activities:		
Increase in short-term borrowings	720,100	365,000
Decrease in short-term borrowings	(585,100)	(300,000)
Payment of lease liabilities	(11,738)	(12,135)
Cash dividends paid	(1,234,824)	(2,058,040)
Net cash flows used in financing activities	(1,111,562)	(2,005,175)
Net increase (decrease) in cash and cash equivalents	82,005	(61,361)
Cash and cash equivalents at beginning of year	19,207	80,568
Cash and cash equivalents at end of year	\$ 101,212	19,207

Chairman : Nita Ing

Manager : Cindy Chang

Chief Accountant : Gary Hsieh

Independent Auditors' Report

To the Board of Directors of CONTINENTAL HOLDINGS CORPORATION:

Opinion

We have audited the financial statements of CONTINENTAL HOLDINGS CORPORATION ("the Company"), which comprise the balance sheet as of December 31, 2024 and 2023, the statement of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the financial statements, including a summary of material accounting policies.

In our opinion, based on our audits and the report of other auditors (please refer to Other Matter paragraph), the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2024 and 2023, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

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

Key Audit Matters

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

Other Matter

We did not audit the financial statements of certain investments measured by equity method of the Company. Those statements were audited by other auditors, whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for investments measured by equity method, are based solely on the reports of the other auditors. The financial statements of investments measured by equity method accounted for 17.75% and 18.35%, of the total assets at December 31, 2024 and 2023, respectively. The related share of gain of subsidiaries accounted for using the equity method represented (56.87)% and (27.58)% of the net income before tax for the years ended December 31, 2024 and 2023, respectively.

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

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

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

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

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

KPMG

Taipei, Taiwan (Republic of China)

March 5, 2025

3. Continental Holdings Corporation and Subsidiaries Consolidated Financial Statements

CONTINENTAL HOLDINGS CORPORATION AND SUBSIDIARIES

Consolidated Balance Sheets

December 31, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollars)

		December 31, 2024		December 31, 2023	
		Amount	%	Amount	%
Assets					
Current assets:					
1100	Cash and cash equivalents	\$ 7,084,267	8	6,878,141	9
1139	Current financial assets for hedging	293,290	-	28,839	-
1140	Current contract assets	5,092,716	6	5,241,492	7
1150	Notes receivable, net	605	-	684	-
1170	Accounts receivable, net	2,547,429	3	2,987,278	4
1200	Other receivables, net	539,151	1	419,134	1
1220	Current tax assets	68,009	-	59,860	-
130X	Inventories	33,580,461	38	25,204,641	32
1410	Prepayments	1,541,623	2	1,072,680	1
1479	Other current assets, others	3,769,839	4	4,166,052	5
1480	Current assets recognised as incremental costs to obtain contract with customers	506,333	1	273,879	-
		<u>55,023,723</u>	<u>63</u>	<u>46,332,680</u>	<u>59</u>
Non-current assets:					
1510	Non-current financial assets at fair value through profit or loss	1,068,858	1	1,068,858	2
1517	Non-current financial assets at fair value through other comprehensive income	3,039,804	3	3,371,634	4
1550	Investments accounted for using equity method, net	1,545,488	2	1,598,373	2
1600	Property, plant and equipment	10,421,498	12	9,530,234	12
1755	Right-of-use assets	134,212	-	136,481	-
1760	Investment properties, net	2,864,806	4	8,015,233	10
1780	Intangible assets	5,105,658	6	1,801,118	2
1840	Deferred tax assets	16,107	-	12,430	-
1932	Long-term accounts receivable	7,059,284	8	5,867,118	8
1990	Other non-current assets, others	1,111,719	1	676,513	1
		<u>32,367,434</u>	<u>37</u>	<u>32,077,992</u>	<u>41</u>
Total assets		<u><u>\$ 87,391,157</u></u>	<u><u>100</u></u>	<u><u>78,410,672</u></u>	<u><u>100</u></u>

		December 31, 2024		December 31, 2023	
		Amount	%	Amount	%
Liabilities and Equity					
Current liabilities:					
2100	Short-term borrowings	\$ 21,976,838	25	15,865,691	20
2110	Short-term notes and bills payable	200,000	-	800,000	1
2126	Current financial liabilities for hedging	3,039	-	19,444	-
2130	Current contract liabilities	10,817,965	12	7,663,229	10
2170	Notes and accounts payable	6,992,556	9	6,578,347	8
2200	Other payables	2,391,251	3	1,902,960	3
2230	Current tax liabilities	190,322	-	307,008	-
2250	Current provisions	252,074	-	307,179	1
2280	Current lease liabilities	102,354	-	88,554	-
2310	Advance receipts	8,470	-	48,034	-
2320	Long-term liabilities, current portion	678,524	1	1,269,382	2
2399	Other current liabilities, others	96,438	-	62,089	-
		43,709,831	50	34,911,917	45
Non-Current liabilities:					
2530	Bonds payable	1,999,278	2	1,998,555	3
2540	Long-term borrowings	11,353,309	14	10,190,546	13
2570	Deferred tax liabilities	247,786	-	181,045	-
2580	Non-current lease liabilities	34,580	-	49,870	-
2610	Long-term accounts payable	131,314	-	122,981	-
2640	Net defined benefit liability, non-current	94,382	-	109,375	-
2645	Guarantee deposits received	85,674	-	70,681	-
		13,946,323	16	12,723,053	16
	Total liabilities	57,656,154	66	47,634,970	61
Equity attributable to owners of parent:					
3100	Capital stock	8,232,160	9	8,232,160	11
3200	Capital surplus	6,884,015	8	6,817,198	9
3300	Retained earnings	10,420,629	12	10,469,230	13
3400	Other equity	1,697,857	2	1,833,549	2
		27,234,661	31	27,352,137	35
36XX	Non-controlling interests	2,500,342	3	3,423,565	4
	Total equity	29,735,003	34	30,775,702	39
	Total liabilities and equity	\$ 87,391,157	100	78,410,672	100

CONTINENTAL HOLDINGS CORPORATION AND SUBSIDIARIES

Consolidated Statements of Comprehensive Income

For the years ended December 31, 2024 and 2023

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

	2024		2023	
	Amount	%	Amount	%
4000 Operating revenues	\$ 30,701,377	100	30,606,844	100
5000 Operating costs	26,973,804	88	26,330,971	86
Gross profit from operations	<u>3,727,573</u>	<u>12</u>	<u>4,275,873</u>	<u>14</u>
Operating expenses:				
6100 Selling expenses	664,305	2	478,366	2
6200 Administrative expenses	1,814,447	6	1,624,908	5
	<u>2,478,752</u>	<u>8</u>	<u>2,103,274</u>	<u>7</u>
Net operating income	<u>1,248,821</u>	<u>4</u>	<u>2,172,599</u>	<u>7</u>
Non-operating income and expenses:				
7100 Interest income	111,794	-	97,749	-
7010 Other income	260,256	1	263,469	1
7020 Other gains and losses, net	202,820	1	(84,052)	-
7050 Finance costs, net	(757,257)	(3)	(770,881)	(3)
7060 Share of profit (losses) of associates and joint ventures accounted for using equity method	(53,165)	-	31,386	-
	<u>(235,552)</u>	<u>(1)</u>	<u>(462,329)</u>	<u>(2)</u>
7900 Income before tax	<u>1,013,269</u>	<u>3</u>	<u>1,710,270</u>	<u>5</u>
7950 Less: Income tax expenses (Note 6(x))	343,361	1	379,875	1
Net income	<u>669,908</u>	<u>2</u>	<u>1,330,395</u>	<u>4</u>
8300 Other comprehensive income:				
8310 Items that will not be reclassified to profit or loss				
8311 Remeasurements of defined benefit plans	14,489	-	(24,515)	-
8316 Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	(331,830)	(1)	1,387,325	5
8317 Gains on hedging instrument	22,135	-	(18,994)	-
8349 Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	(2,898)	-	4,903	-
Components of other comprehensive income that will not be reclassified to profit or loss	<u>(298,104)</u>	<u>(1)</u>	<u>1,348,719</u>	<u>5</u>
8360 Items that will be reclassified to profit or loss				
8361 Exchange differences on translation of foreign financial statements	344,835	1	37,730	-
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>344,835</u>	<u>1</u>	<u>37,730</u>	<u>-</u>
8300 Other comprehensive income	<u>46,731</u>	<u>-</u>	<u>1,386,449</u>	<u>5</u>
Total comprehensive income	<u>\$ 716,639</u>	<u>2</u>	<u>2,716,844</u>	<u>9</u>
Net income, attributable to:				
8610 Owners of parent	\$ 1,174,632	4	1,716,736	5
8620 Non-controlling interests	(504,724)	(2)	(386,341)	(1)
	<u>\$ 669,908</u>	<u>2</u>	<u>1,330,395</u>	<u>4</u>
Total comprehensive income attributable to:				
8710 Owners of parent	\$ 1,131,479	3	3,087,253	10
8720 Non-controlling interests	(414,840)	(1)	(370,409)	(1)
	<u>\$ 716,639</u>	<u>2</u>	<u>2,716,844</u>	<u>9</u>
Earnings per share				
9750 Basic earnings per share (NT dollars)	<u>\$ 1.43</u>		<u>2.09</u>	
9850 Diluted earnings per share (NT dollars)	<u>\$ 1.43</u>		<u>2.08</u>	

Chairman : Nita Ing

Manager : Cindy Chang

Chief Accountant : Gary Hsieh

CONTINENTAL HOLDINGS CORPORATION AND SUBSIDIARIES

Consolidated Statements of Changes in Equity

For the years ended December 31, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollars)

	Equity attributable to owners of parent												
	Capital stock		Retained earnings				Total other equity						
	Common Stock	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Total	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	Gains (losses) on hedging instruments	Total other equity	Total equity attributable to owners of parent	Non-controlling interests	Total equity
Balance at January 1, \$ 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	-	-	-	-	1,716,736	1,716,736	-	-	-	-	1,716,736	(386,341)	1,330,395
Other comprehensive income (loss)	-	-	-	-	(19,612)	(19,612)	21,798	1,387,325	(18,994)	1,390,129	1,370,517	15,932	1,386,449
Total comprehensive income (loss)	-	-	-	-	1,697,124	1,697,124	21,798	1,387,325	(18,994)	1,390,129	3,087,253	(370,409)	2,716,844
Appropriation and distribution of retained earnings:													
Legal reserve appropriated	-	-	293,164	-	(293,164)	-	-	-	-	-	-	-	-
Cash dividends	-	-	-	-	(2,058,040)	(2,058,040)	-	-	-	-	(2,058,040)	-	(2,058,040)
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	735,449	735,449
Balance at December 31, 2023	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	-	-	-	-	1,174,632	1,174,632	-	-	-	-	1,174,632	(504,724)	669,908
Other comprehensive income (loss)	-	-	-	-	11,591	11,591	254,951	(331,830)	22,135	(54,744)	(43,153)	89,884	46,731
Total comprehensive income (loss)	-	-	-	-	1,186,223	1,186,223	254,951	(331,830)	22,135	(54,744)	1,131,479	(414,840)	716,639
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	-	-	-	-	-	-	-	-
Disposal of subsidiaries	-	-	-	-	-	-	(80,948)	-	-	(80,948)	(80,948)	-	(80,948)
Changes in ownership interests in subsidiaries	-	66,817	-	-	-	-	-	-	-	-	66,817	(66,817)	-
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(441,566)	(441,566)
Balance at December 31, 2024	\$ 8,232,160	6,884,015	1,589,444	907,090	7,924,095	10,420,629	(499,349)	2,195,614	1,592	1,697,857	27,234,661	2,500,342	29,735,003

Chairman : Nita Ing

Manager : Cindy Chang

Chief Accountant : Gary Hsieh

CONTINENTAL HOLDINGS CORPORATION AND SUBSIDIARIES

Consolidated Statements of Cash Flows

For the years ended December 31, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollars)

	2024	2023
Cash flows from operating activities:		
Income before tax	\$ 1,013,269	1,710,270
Adjustments:		
Adjustments to reconcile profit and loss:		
Depreciation expense	546,116	485,274
Amortization expense	72,607	68,749
Interest expense	756,534	785,553
Interest income	(111,794)	(97,749)
Dividend income	(215,958)	(177,422)
Amortization of issuance costs on bonds payable	723	723
Share of loss (gain) of associates and joint ventures accounted for using equity method	53,165	(31,386)
Loss (gain) on disposal of property, plant and equipment	191	(735)
(Gain) loss on disposal of property, plant and equipment (under construction costs)	(88,544)	48
Gain on disposal of investment properties	(57,534)	-
Warranty provisions recognition (write-off)	(41,238)	(361,838)
Gain on reversal of estimated account payable (under deduction of construction costs)	-	(276,467)
Gain on reversal of estimated account payable	(883)	(1,278)
Total adjustments to reconcile profit and loss	913,385	393,472
Changes in operating assets and liabilities:		
Changes in operating assets:		
Contract assets	(2,851)	1,057,262
Notes receivable	79	11,403
Accounts receivable	(596,343)	(1,528,405)
Other receivables	(210,129)	(27,339)
Inventories	(5,601,496)	(4,760,395)
Prepayments	(489,178)	(300,340)
Other current assets	(669,482)	(884,076)
Current assets recognised as incremental costs to obtain contract with customers	(232,454)	79,652
Total changes in operating assets	(7,801,854)	(6,352,238)
Changes in operating liabilities:		
Contract liabilities	5,341,619	4,639,481
Notes and accounts payable	413,592	1,037,447
Other payables	475,728	2,022
Provisions	(13,965)	(17,851)
Receipts in advance	(39,682)	33,691
Other current liabilities	34,034	2,377
Net defined benefit liability	(3,402)	(4,880)
Total changes in operating liabilities	6,207,924	5,692,287
Total changes in operating assets and liabilities	(1,593,930)	(659,951)
Total adjustments	(680,545)	(266,479)
Cash outflow generated from operations	332,724	1,443,791
Interest received	90,211	82,995
Interest paid	(968,769)	(855,925)
Income taxes paid	(402,664)	(231,636)
Net cash flows (used in) from operating activities	(948,498)	439,225

	2024	2023
Cash flows from investing activities:		
Acquisition of financial assets for hedging	(799,840)	(250,755)
Disposal of financial assets for hedging	541,119	1,522,050
Price of associates acquisition	(51,940)	-
Acquisition of property, plant and equipment	(394,448)	(439,636)
Disposal of property, plant and equipment	118,919	783
Other receivables	111,798	(5,431)
Non-current other receivables	(407,678)	(147,088)
Acquisition of intangible assets	(3,351,759)	(764,803)
Disposal of investment properties	62,850	-
Other financial assets	1,066,259	564,806
Other non-current assets	(17,982)	(12,131)
Prepayments for business facilities	(71,970)	(60,513)
Dividends received	267,618	204,573
Long-term payments	2	(6,357)
Net cash flows (used in) from investing activities	(2,927,052)	605,498
Cash flows from financing activities:		
Increase in short-term borrowings	48,922,477	42,723,580
Decrease in short-term borrowings	(43,077,732)	(41,680,335)
Increase in short-term notes and bills payable	4,530,000	6,162,000
Decrease in short-term notes and bills payable	(5,130,000)	(5,798,000)
Increase in long-term borrowings	12,786,782	4,967,334
Decrease in long-term borrowings	(12,265,420)	(4,962,391)
Guarantee deposits received	14,993	(59,325)
Payment of lease liabilities	(77,714)	(71,522)
Cash dividends paid	(1,284,010)	(2,126,053)
Other payables	12,304	56,823
Change in non-controlling interests	(392,380)	803,462
Net cash flows from financing activities	4,039,300	15,573
Effect of exchange rate changes on cash and cash equivalents	42,376	(4,571)
Net increase in cash and cash equivalents	206,126	1,055,725
Cash and cash equivalents at beginning of year	6,878,141	5,822,416
Cash and cash equivalents at end of year	\$ 7,084,267	6,878,141

Chairman : Nita Ing

Manager : Cindy Chang

Chief Accountant : Gary Hsieh

Independent Auditors' Report

To the Board of Directors of CONTINENTAL HOLDINGS CORPORATION:

Opinion

We have audited the consolidated financial statements of Continental Holdings Corporation and its subsidiaries ("the Group"), which comprise the statement of consolidated financial position as of December 31, 2024 and 2023, the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, based on our audits and the reports of other auditors (please refer to Other Matter paragraph), the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2024 and 2023, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the International Financial Reporting Standards ("IFRSs"), International Accounting Standards ("IASs"), Interpretations developed by the International Financial Reporting Interpretations Committee ("IFRIC") or the former Standing Interpretations Committee ("SIC") endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

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

Key Audit Matters

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

1. Revenue recognition of construction contracts

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

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

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

2. Inventory evaluation

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

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

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

Other Matter

In the Group's consolidated financial statements, we did not audit the financial statements of certain subsidiaries. Those statements audited by other auditors has been furnished to us, and our opinion, insofar as it relates to the amounts included for those subsidiaries, is based solely on the report of the other auditors. The financial statements of these subsidiaries reflect the total assets constituting 19.16% and 20.12% of the consolidated total assets at December 31, 2024 and 2023, respectively, and the total revenues constituting 3.55% and 2.39% of the consolidated total revenues for the years ended December 31, 2024 and 2023, respectively.

Continental Holdings Corporation has prepared its parent-company-only financial report for the years ended December 31, 2024 and 2023, and we have issued an unqualified opinion with other matter thereon and an unqualified opinion, respectively.

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

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

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

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

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

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

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

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

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

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

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

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

KPMG

Taipei, Taiwan (Republic of China)

March 5, 2025

4. Audit Committee's Review Report

The Board of Directors has prepared the Company's 2024 Business Report, Financial Statements, and proposal for allocation of profits. The CPA of KPMG Taiwan was retained to audit Continental Holdings Corporation's Financial Statements and has issued an audit report relating to the Financial Statements. The Business Report, Financial Statements, and profits allocation proposal have been reviewed and determined to be correct and accurate by the Audit Committee members of Continental Holdings Corporation. According to Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Law, we hereby submit this Report.

Continental Holdings Corporation

Convener of the Audit Committee: Jolien Shu

March 5, 2025

Attachment II

Comparison Table for the Articles of Incorporation Before and After Revision

Provision after Amendment	Current Provision	Description of Amendment
<p>Article 29-1: If the Company makes a profit for the year, the amount equivalent to 0.5% of profits should be appropriated as employee compensation and the amount equivalent to 0.5% or less of profits appropriated as remuneration to directors. However, if the Company has accumulated losses, an equivalent amount should be reserved in advance to make up for losses. The employees of subordinate companies are also entitled to employee compensation.</p> <p><u>For the employee compensation referred to in Paragraph 1, an amount equivalent to 0.1% of the profits should be reserved and paid to non-executive employees.</u></p> <p>The payment method of employee compensation and the remuneration amount for directors is to be resolved by the board of directors with a majority vote at a meeting attended by over two-thirds of directors, and then reported in a shareholders' meeting.</p>	<p>Article 29-1: If the Company makes a profit for the year, the amount equivalent to 0.5% of profits should be appropriated as employee compensation and the amount equivalent to 0.5% or less of profits appropriated as remuneration to directors. However, if the Company has accumulated losses, an equivalent amount should be reserved in advance to make up for losses. The employees of subordinate companies are also entitled to employee compensation.</p> <p>The payment method of employee compensation and the remuneration amount for directors <u>referred to in Paragraph 1</u> is to be resolved by the board of directors with a majority vote at a meeting attended by over two-thirds of directors, and then reported in a shareholders' meeting.</p>	<ol style="list-style-type: none"> 1. Add Paragraph 3, move the current Paragraph 3 to Paragraph 4, and adjust the text. 2. In accordance with the provisions of Paragraph 6, Article 14 of the Securities and Exchange Act as amended on August 7, 2024, companies with their stocks already listed on the TWSE or TPEx are required to specify in their articles of incorporation that a certain percentage of annual profits be appropriated to adjust remuneration or distribute compensation to non-executive employees. Therefore, the percentage of employee compensation paid to non-executive employees is expressly prescribed.
<p>Article 35 The Articles of Incorporation were formulated on November 2, 2009. The 1st amendment was made on June 29, 2010. The 2nd amendment was made on May 25, 2012. The 3rd amendment was made on June 6, 2014. The 4th amendment was made on May 22, 2015. The 5th amendment was made on June 14, 2016. The 6th amendment was made on June 12, 2019. The 7th amendment was made on July 30, 2021. The 8th amendment was made on June 9, 2022. <u>The 9th amendment will be made on June 17, 2025.</u> The above amendments were implemented following resolution in a shareholders' meeting.</p>	<p>Article 35 The Articles of Incorporation were formulated on November 2, 2009. The 1st amendment was made on June 29, 2010. The 2nd amendment was made on May 25, 2012. The 3rd amendment was made on June 6, 2014. The 4th amendment was made on May 22, 2015. The 5th amendment was made on June 14, 2016. The 6th amendment was made on June 12, 2019. The 7th amendment was made on July 30, 2021. The 8th amendment was made on June 9, 2022. The above amendments were implemented following resolution in a shareholders' meeting.</p>	<p>Coordination of amendments to the Articles of Incorporation.</p>