

Stock Code : 3703



CONTINENTAL 欣陸投控
HOLDINGS CORPORATION

Continental Holdings Corporation

Handbook for the 2022 Annual Shareholders' Meeting

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

Meeting Date: June 9th, 2022

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

Method of convening: Physical shareholders' Meeting

Continental Holdings Corporation

Meeting Agenda

Call Meeting to Order

Chairperson Remarks

Report Items

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- (2) To report the distribution of 2021 Cash Dividends 1

Approval and Discussion Items

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- (2) Adoption of the proposal for appropriation of 2021 earnings 2
- (3) Amendment to "Articles of Incorporation" 3
- (4) Amendment to "Procedures for Acquisition and Disposal of Assets" 3

Other Business and Extempore Motion

Adjourned

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Report Items

1. To report the distribution of 2021 employees' compensation and Directors' remuneration

(Proposed by the Board of Directors)

Explanatory Notes:

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

2. To report the distribution of 2021 cash dividend

(Proposed by the Board of Directors)

Explanatory Notes:

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

Approval and Discussion Items

1. Adoption of 2021 Business Report and Financial Statements (Proposed by the Board of Directors)

Explanatory Notes:

The Company's 2021 Financial Statements (see Attachment I: P.5-22) were audited by independent auditors, Mr. Chung-Che Chen and Ms. Shu-Ying Chang of KPMG Taiwan. After reviewing these financial statements and 2021 Business Report (see P.4), the Company's Audit Committee found no inconsistencies, and then issued Audit Committee's Review Report (see P.23).

Resolved:

2. Adoption of the proposal for appropriation of 2021 earnings (Proposed by the Board of Directors)

Explanatory Notes:

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

Continental Holdings Corporation 2021 Earnings Distribution Table

Unit: NTD

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

Chairman : Nita Ing

Manager : Cindy Chang

Chief Accountant : Eva Lin

Resolved:

**3. Amendment to “Articles of Incorporation”
(Proposed by the Board of Directors)**

Explanatory Notes:

According to the Article 172-2 of the Company Law, it is proposed to amend Article 12-1 of the Articles of Incorporation of the Company, which expressly stipulates that the shareholders' meeting of the Company may be convened by video conference or other means announced by the competent authority, the Comparison Table for “Articles of Incorporation” Before and After Revision is attached hereto as Attachment II (See P.24)

Resolved:

**4. Amendment to “Procedures for Acquisition and Disposal of Asset”
(Proposed by the Board of Directors)**

Explanatory Notes:

It is proposed to amend the “Procedures for Acquisition and Disposal of Assets” in response to Order No. 1110380465 "Amendments to Regulations Governing the Acquisition and Disposal of Assets by public Companies" issued by the Financial Regulatory Commission on 28 January 2022, and to address the company's needs. The Comparison Table for “Procedures for Acquisition and Disposal of Assets” Before and After Revision is attached hereto as Attachment III (See P.25 – P.32)

Resolved:

Other Business and Extempore Motion

Adjourned

Attachment I

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

1. 2021 Business Report

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

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

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

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

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

Chairman : Nita Ing

Manager : Cindy Chang

Chief Accountant : Eva Lin

2. Continental Holdings Corporation Financial Statements

CONTINENTAL HOLDINGS CORPORATION

Balance Sheets

December 31, 2021 and 2020

(Expressed in Thousands of New Taiwan Dollars)

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

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

Chairman : Nita Ing

Manager : Cindy Chang

Chief Accountant : Eva Lin

CONTINENTAL HOLDINGS CORPORATION

Statements of Comprehensive Income

For the years ended December 31, 2021 and 2020

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

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

Chairman : Nita Ing

Manager : Cindy Chang

Chief Accountant : Eva Lin

CONTINENTAL HOLDINGS CORPORATION

Statements of Changes in Equity

For the years ended December 31, 2021 and 2020

(Expressed in Thousands of New Taiwan Dollars)

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

Chairman : Nita Ing

Manager : Cindy Chang

Chief Accountant : Eva Lin

CONTINENTAL HOLDINGS CORPORATION

Statements of Cash Flows

For the years ended December 31, 2021 and 2020

(Expressed in Thousands of New Taiwan Dollars)

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

Chairman : Nita Ing

Manager : Cindy Chang

Chief Accountant : Eva Lin

Independent Auditors' Report

To the Board of Directors of CONTINENTAL HOLDINGS CORPORATION:

Opinion

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

In our opinion, based on our audits and the report of other auditors (please refer to Other Matter paragraph), the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2021 and 2020, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

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

Key Audit Matters

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

Other Matter

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

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

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

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

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

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

KPMG

Taipei, Taiwan (Republic of China)

March 15, 2022

Chung-Che Chen and Shu-Ying Chang

3. Continental Holdings Corporation and Subsidiaries Consolidated Financial Statements

CONTINENTAL HOLDINGS CORPORATION AND SUBSIDIARIES

Consolidated Balance Sheets

December 31, 2021 and 2020

(Expressed in Thousands of New Taiwan Dollars)

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

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

Chairman : Nita Ing

Manager : Cindy Chang

Chief Accountant : Eva Lin

CONTINENTAL HOLDINGS CORPORATION AND SUBSIDIARIES

Consolidated Statements of Comprehensive Income

For the years ended December 31, 2021 and 2020

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

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

Chairman : Nita Ing

Manager : Cindy Chang

Chief Accountant : Eva Lin

CONTINENTAL HOLDINGS CORPORATION AND SUBSIDIARIES

Consolidated Statements of Changes in Equity

For the years ended December 31, 2021 and 2020

(Expressed in Thousands of New Taiwan Dollars)

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

Chairman : Nita Ing

Manager : Cindy Chang

Chief Accountant : Eva Lin

CONTINENTAL HOLDINGS CORPORATION AND SUBSIDIARIES

Consolidated Statements of Cash Flows

For the years ended December 31, 2021 and 2020

(Expressed in Thousands of New Taiwan Dollars)

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

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

Chairman : Nita Ing

Manager : Cindy Chang

Chief Accountant : Eva Lin

Independent Auditors' Report

To the Board of Directors of CONTINENTAL HOLDINGS CORPORATION:

Opinion

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

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

Basis for Opinion

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

Key Audit Matters

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

1. Revenue recognition of construction contracts

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

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

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

2. Inventory evaluation

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

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

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

Other Matter

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

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

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

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

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

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

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

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

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

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

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

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

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

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

KPMG

Taipei, Taiwan (Republic of China)

March 15, 2022

Chung-Che Chen and Shu-Ying Chang

4. Audit Committee's Review Report

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

Continental Holdings Corporation

Chairman of the Audit Committee: Allen, Lee

March 15, 2022

Attachment II

Comparison Table for the Articles of Incorporation Before and After Revision

Amendments after	Amendments before	Remarks
<p><u>Article 12-1:</u> <u>The Company may have the shareholders meeting held by video conference or other methods announced by the competent authorities.</u> <u>The Company shall have the video conference of the shareholders meeting handled in accordance with the relevant law and regulations and the Company's Rules of Procedure for the Shareholders Meeting.</u></p>		<ol style="list-style-type: none"> 1. This Article is newly added. 2. The Company may have the shareholders meeting held by video conference or other methods announced by the competent authorities as stated in the Articles of Incorporation in accordance with the amendments made to Article 172-2 of the Company Act on December 29, 2021.
<p>Article 35: The Articles of Incorporation was formulated on November 2, 2009. The 1st amendment was made on June 29, 2010. The 2nd amendment was made on May 25, 2012. The 3rd amendment was made on June 6, 2014. The 4th amendment was made on May 22, 2015. The 5th amendment was made on June 14, 2016. The 6th amendment was made on June 12, 2019. The 7th amendment was made on July 30, 2021. <u>The 8th amendment was made on June 9, 2022, will be executed after the resolutions reached in the shareholders meeting.</u></p>	<p>Article 35: The Articles of Incorporation was formulated on November 2, 2009. The 1st amendment was made on June 29, 2010. The 2nd amendment was made on May 25, 2012. The 3rd amendment was made on June 6, 2014. The 4th amendment was made on May 22, 2015. The 5th amendment was made on June 14, 2016. The 6th amendment was made on June 12, 2019. The 7th amendment was made on July 30, 2021, will be executed after the resolutions reached in the shareholders meeting.</p>	<p>Modified according to the amendment made to the Articles of Incorporation currently.</p>

Attachment III

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

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

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

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

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

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

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

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

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

Appendix I

Rules of Procedure for Shareholders' Meetings

Article 1. (Legal Basis)

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

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

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

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

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

Article 3. (Convening of Shareholders' Meetings)

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

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

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

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

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

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

Article 6. (Holding of Shareholders' Meetings)

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

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

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

Article 7. (Discussion of Proposals)

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

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

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

Article 8. (Shareholder Proposals)

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

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

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

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

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

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

Article 10. (Shareholder Speech)

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

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

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

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

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

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

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

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

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

Article 11. (Putting Motions to a Vote)

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

Article 12. (Voting on Motions)

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

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

Resolutions should be recorded in the meeting minutes.

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

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

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

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

Article 14. (Invalid Ballots and their Determination)

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

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

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

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

Article 16. (Matters Not Specified in these Rules)

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

Article 17. (Appendix)

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

Appendix II

Articles of Incorporation

Chapter I. General Provisions

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

Chapter II. Shares

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

Chapter III. Shareholders' Meeting

- Article 11: The shareholders meetings Includes two types, regular meeting and special meeting. Regular meeting shall be convened once a year by the Board of Directors within six months after the close of each fiscal year. Special meeting shall be convened when necessary in accordance with the relevant laws and regulations. Shareholders should be informed of the regular shareholders meeting to be convened 30 days in advance, and for a special shareholder meeting to be convened 15 days in advance.. For shareholders that hold less than one thousand registered shares, such notice may be publicly announced instead.
- Article 12: If a shareholder is unable to attend a shareholders' meeting in person, he/she may appoint a proxy to attend on his/her behalf by presenting a signed and sealed proxy voting form printed by the Company stating the scope of authorization.
- Article 13: The shareholders' meeting shall be presided by the Chairman of the Board of Directors. If the Chairman is absent or unable to perform his/her duties, he/she may designate one of the Directors as a proxy. When a proxy was not designated by the Chairman, the Directors may elect one among themselves to act as the Chairman of the meeting.

- Article 14: Each shareholder of the Company shall have one vote for each share held unless otherwise specified by the *Company Act*.
- Article 15: Resolutions at a meeting of shareholders shall be adopted by a majority vote of the shareholders present who represent more than one-half of the total number of voting shares, unless otherwise specified by the *Company Act*.
- Article 16: The resolutions adopted at a shareholders' meetings shall be recorded in the minutes of the meeting, and shall state the time and date, venue, resolutions, name of the Chairman, method of voting, and the number of shares represented. The minutes shall be affixed with the signature or seal of the Chairman, and distributed to each shareholder within 20 days after the close of the meeting.
The aforementioned minutes can be prepared in an electronic format and the distributed or announced accordingly..
The minutes of the meeting, together with the attendance card and proxies, shall be archived by the Company for the period specified by the *Company Act* or applicable laws and regulations.

Chapter IV. Directors

- Article 17: The Company shall have five to seven Directors, and the actual seats will be determined by Board of Directors. The Directors shall be elected by adopting the candidates' nomination system as specified in Article 192-1 of the *Company Act*. Shareholders shall elect Directors from nominees on the list of director candidates. The nomination and related announcement of director candidates shall comply with the relevant articles of the *Company Act*, and the *Securities and Exchange Act*. The term of office for Directors shall be three years and all Directors shall be eligible for re-election. The shareholdings percentage of all the Directors shall be in accordance with relevant regulations of the securities authorities.
For the election of Directors at the shareholders' meeting, each share has the same voting rights equal to the number of Directors to be elected. Shareholders may cast all his/her voting rights to one candidate or among several candidates. Candidates who receive more voting rights shall be elected as Directors.
- Article 18: Since the third session, the Company shall have three Independent Directors to be included in the Board of Directors specified in the preceding article.
The election of Independent and Non-independent directors shall be held at the same time, and the number of Independent Directors and Non-independent Directors elected shall be calculated separately. The relevant professional qualifications, restrictions on shareholdings and concurrent positions held, assessment of independence, method of nomination, performance of duties and other compliance matters in regard to Independent Directors shall be handled in accordance with the *Securities Exchange Act* and other applicable laws and regulations.
- Article 18-1: The Company shall establish an Audit Committee composed of all Independent Directors in accordance with Article 14-4 of the *Securities and Exchange Act*. The exercise of powers and other matters relating to the Audit Committee and its members shall comply with the *Securities Exchange Act* and the applicable laws and regulations.
- Article 19: In the case that vacancies on the Board of Directors exceed one-third of the total number, or all Independent Directors are dismissed, the Board of Directors shall convene a special meeting within 60 days to elect new Directors to fill such vacancies in accordance with relevant laws, rules and regulations. The new Directors shall serve the remaining term of the predecessors.
- Article 20: The Board of Directors is organized by all directors in order to exercise their entrusted duties and authority. The Chairman of the board is elected among the directors lawfully to represent the Company externally.
- Article 21: Meetings of the Board of Directors shall be convened by the Chairman. with the reasons for convening the meeting forwarded to all directors seven days in advance. However, a board meeting can be convened at any time in the event of an emergency.
The aforementioned notice may be made by written notice, by fax, or electronically.
- Article 22: Meetings of the Board of Directors shall be presided by the Chairman. In case the Chairman is on leave or otherwise cannot exercise his/her duties, the Chairman shall appoint a director to act as his/her deputy. If

a deputy was not appointed by the Chairman, the Directors shall elect among themselves a Chairman to preside over the meeting. Directors should attend each meeting of the Board in person. The board meeting may be convened via video conference call, and the Directors who attend the board meeting via video conference shall be deemed to have attended the meeting in person. If a Director is unable to attend a meeting of the Board for any reason, he/she may appoint another Director as his/her proxy each time with a power of attorney stating the scope of authority with reference to the reason for the meeting.

A Director may act as the proxy for only one other Director only.

Article 23: (deleted)

Article 24: The operations and management of the Company, unless otherwise to be resolved by the shareholders' meeting as required by law or the Articles of Incorporation, are resolved by the Board of Directors.

Article 25: Resolutions of the Board shall be adopted by a majority of the Directors at a meeting attended by one-half of the Directors, unless otherwise provided for in the *Company Act*.

Article 26: The Board of Directors is authorized to determine the compensation for the Directors by taking into account their participation in the Company's business and their contribution value, and domestic and overseas industry standards.

Travel expenses or attendance fees may be reimbursed to the Directors of the Company. The amount is to be determined by the Board of Directors.

Article 27: The Board of Directors can set up functional committees to ensure proper oversight and to enhance management capabilities. The articles of each specialized committee will be stipulated by the Board of Directors.

The Company may, in accordance with applicable laws and regulations or rules issued by competent authorities, purchase Directors and Officers Liability Insurance with respect to liabilities resulting from exercising directors' duties during their terms of office.

Chapter V. Managerial Officers

Article 28: The Company may appoint one Chief Executive Officer (CEO) and several officers. The CEO shall follow the resolutions of the Board of Directors to manage the operations of the Company. Their appointment and discharge shall be determined by resolution of the Board of Directors.

The aforementioned officers must obtain authorized personal signature or Company sealed authorization letter resolved by the Board of Directors when endorsing, guaranteeing, signing contracts or signing bills with their name on behalf of the Company.

Chapter VI. Accounting

Article 29: The fiscal year of the Corporation shall begin on January 1 of each year and end on December 31 of the same year. The final accounts shall be prepared at the end of each fiscal year.

Article 29-1: If there is profit for the fiscal year, the Company shall allocate 0.5% of the profit as employee's compensation and no more than 0.5% as remuneration to Directors, provided that the Company's accumulated losses shall have been covered in advance.

The employees of affiliated companies may be included in the distribution of employee's compensation.

The distribution terms for employee's compensation and the amount of Directors' remuneration aforementioned under paragraph one shall be resolved by the Board of Directors with majority vote from more than two-thirds of Directors in attendance, and be reported to the shareholders' meeting.

Article 30: The following documents shall be prepared by the Board of Directors after the end of each fiscal year and submitted to the regular shareholders' meeting for approval in accordance with the statutory procedure.

1. Business report.

2. Financial statements.

3. Surplus earnings distribution or loss make-up proposal.

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

Chapter VII. Other

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

Appendix III

Procedures for Acquisition and Disposal Assets

1 Purpose

The "Procedures for the Acquisition and Disposal of Assets" (hereinafter referred to as the "Procedures") is formulated for the Company's acquiring and disposing assets in compliance with and meeting the relevant law and regulations.

2 Governing law reference

The Procedures is formulated in accordance with Article 36-1 of the Securities and Exchange Act and the "Regulations Governing the Acquisition and Disposal of Assets by Public Companies" (hereinafter referred to as the "Regulations") formulated by the Financial Supervisory Commission (hereinafter referred to as the "FSC").

3 Scope of application

The Company should have the acquisition or disposal of assets handled in accordance with the Procedures. The matters not fully addressed in the Procedures, if any, shall be handled in accordance with the relevant law and regulations. The scope of application of the assets referred to in the Procedures is as follows.

- 3.1 Investments in stocks, government bonds, corporate bonds, financial bonds, securities representing interest in a fund, depositary receipts, call (put) warrants, beneficial interest securities, and asset-backed securities;
- 3.2 Real property (including land, houses and buildings, investment property, and construction enterprise inventory) and equipment;
- 3.3 Memberships
- 3.4 Patents, copyrights, trademarks, franchise rights, and other intangible assets;
- 3.5 Right-of-use assets
- 3.6 Claims of financial institutions (including receivables, bills purchased and discounted, loans, and overdue receivables)
- 3.7 Derivatives
- 3.8 Assets acquired or disposed of in connection with mergers, demergers, acquisitions, or transfer of shares in accordance with law
- 3.9 Other major assets;

4 Terms and definitions

Terms used in these Procedures are defined as follows:

4.1 Derivatives

Derivatives refer to forward contracts, options contracts, futures contracts, leverage contracts, or swap contracts, whose value is derived from a specified interest rate, financial instrument price, instrument price, exchange rate, index of prices or rates, credit rating or credit index, or other variable; or hybrid contracts combining the aforementioned contracts; or hybrid contracts or structured products containing embedded derivatives. The term "forward contracts" does not include insurance contracts, performance contracts, after-sales service contracts, long-term leasing contracts, and long-term purchase (sales) contracts.

4.2 Assets acquired or disposed through mergers, demergers, acquisitions, or transfer of shares in accordance with law

Refers to assets acquired or disposed through mergers, demergers, or acquisitions conducted under the Business Mergers and Acquisitions Act, Financial Holding Company Act, Financial Institution Merger Act and other acts, or to transfer of shares from another company through issuance of new shares of its own as the consideration therefor (hereinafter "transfer of shares") under Article 156-3 of the Company Act.

4.3 Related party or subsidiary

It is to be recognized as defined in the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

4.4 Professional appraisers

Refers to a real property appraiser or other person duly authorized by law to engage in the value appraisal of real property or equipment.

4.5 Date of occurrence

Refers to the date of contract signing, date of payment, date of consignment trade, date of transfer, dates of boards of directors resolutions, or other date that can confirm the counterpart and monetary amount of the transaction, whichever date is earlier; provided, for investment for which approval of the competent authority is required, the earlier of the aforementioned date or the date of receipt of approval by the competent authority shall apply.

4.6 Mainland China Area Investment

Refers to investments in the mainland China area approved by the Ministry of Economic Affairs Investment Commission or conducted in accordance with the provisions of the Regulations Governing Permission for Investment or Technical Cooperation in the Mainland Area.

4.7 Securities Exchange

The "domestic securities exchange" refers to the Taiwan Stock Exchange Corporation; the "foreign securities exchange" refers to any organized securities exchange market that is regulated by the competent securities authorities of the jurisdiction where it is located.

4.8 Over-the-counter venue (hereunder "OTC venue", "OTC")

"Domestic OTC venue" refers to a venue for OTC trading provided by a securities firm in accordance with the Regulations Governing Securities Trading on the Taipei Exchange; "foreign OTC venue" refers to a venue at a financial institution that is regulated by the foreign competent authority and that is permitted to conduct securities business.

5 Description

5.1 Procedures for the Acquisition and Disposal of Real Property, Equipment or the right-of-use Assets thereof

5.1.1 Appraisal and Operating Procedures

The acquisition or disposal of real property, equipment or right-of-use assets thereof shall be evaluated by the execution unit, in accordance with the relevant regulations and operating procedures of the company, and only after being approved by the competent authority in accordance with the approval authority; if there are no relevant operating procedures, it shall be subject to Chairman's approval.

5.1.2 Determination of trade conditions and references

In acquiring or disposing of real property, equipment, or right-of-use assets thereof where the transaction amount reaches 20% of the Company's paid-in capital or NT\$300 million or more, the Company, unless transacting with a domestic government agency, engaging others to build on its own land, engaging others to build on rented land, or acquiring or disposing of equipment or right-of-use assets thereof held for business use, shall obtain an appraisal report prior to the date of occurrence of the event from a professional appraiser and shall further comply with the following provisions.

- 1) When a limited price, a specific price or a special price must be used as the reference for the transaction price due to special reasons, the transaction should be approved by the board of directors first; the same applies when the transaction conditions are changed subsequently;
- 2) Where the transaction amount is NT\$1 billion or more, appraisals from two or more professional appraisers shall be obtained.
- 3) Where any one of the following circumstances applies with respect to the professional appraiser's appraisal results, unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, a certified public accountant shall be engaged to perform the appraisal in accordance with the provisions of Statement of Auditing Standards No. 20 published by the ROC Accounting Research and Development Foundation (ARDF) and render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price.
 - (1) The discrepancy between the appraisal result and the transaction amount is 20% or more of the transaction amount.
 - (2) The discrepancy between the appraisal results of two or more professional appraisers is 10% or more of the transaction amount.
- 4) No more than 3 months may elapse between the date of the appraisal report issued by a professional appraiser and the contract execution date; provided, where the publicly announced current value for the same period is used and

not more than 6 months have elapsed, an opinion may still be issued by the original professional appraiser.

- 5) Except where a limited price, specific price, or special price is employed by the Company's subsidiary engaging in construction business as the reference basis for the transaction price, if an appraisal report cannot be obtained in time and there is a legitimate reason for the delay, the report, and the certified public accountant's opinion under subparagraph 3 of the preceding paragraph, shall be obtained within 2 weeks counting inclusively from the date of occurrence day of the appraisal report is obtained.
- 6) The calculation of the aforementioned transaction amounts shall be processed in accordance with Article 6.2.1 8), and "within the year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items for which an appraisal report from a professional appraiser or a CPA's opinion has been obtained need not be counted toward the transaction amount.

5.1.3 Execution unit: The execution unit that acquires or disposes of real property, equipment or its right-to-use assets is the user department or relevant authority.

5.2 Procedures for the acquisition and disposal of securities

5.2.1 Appraisal and Operating Procedures

The acquisition or disposal of securities shall be evaluated by the execution unit, in accordance with the relevant regulations and operating procedures of the company, and only after being approved by the competent authority in accordance with the approval authority; if there are no relevant operating procedures, it shall be subject to Chairman's approval.

5.2.2 Determination of trade conditions and references

- 1) Consider the net worth per share, profitability, future potential growth, market interest rate, coupon rate, debtor's credit, etc., and take the opinions of securities experts and market conditions into consideration.
- 2) The Company acquiring or disposing of securities shall, prior to the date of occurrence of the event, obtain financial statements of the issuing company for the most recent period, certified or reviewed by a certified public accountant, for reference in appraising the transaction price.
- 3) When the transaction amount reaches 20% of the Company's paid-in capital or NT\$300 million or more, the company shall engage a certified public accountant prior to the date of occurrence of the event to render an opinion regarding the reasonableness of the transaction price. If the accountant needs to use an expert report, he/she should have it processed in accordance with Auditing Standards Bulletin No. 20 regulations published by the Accounting Research and Development Foundation. However, this requirement does not apply if the securities are publicly quoted in an active market or where otherwise provided by regulations of by the FSC.
- 4) The calculation of the transaction amounts referred to in the preceding paragraph is to be processed in accordance with Article 6.2.1 8), and "within the year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items for which an appraisal report from a professional appraiser or a CPA's opinion has been obtained need not be counted toward the transaction amount.

5.2.3 Execution unit: Refers to the Finance Department or the person designated by the Chairman or the Chief Executive Officer or the relevant departments.

5.3 Procedures for acquiring or disposing of intangible assets or right-to-use assets thereof or memberships

5.3.1 Appraisal and Operating Procedures

The acquisition or disposal of intangible assets or their right-to-use assets or membership certificates should be evaluated by the execution unit in accordance with the relevant regulations and operating procedures of the company, and only after being approved by the competent authority in accordance with the approval authority; if there are no relevant operating procedures, it shall be subject to Chairman's approval.

5.3.2 Determination of trade conditions and references

- 1) The acquisition and disposal of patents, copyrights, trademarks, franchise rights, and other intangible assets or the right-of-use assets thereof should be negotiated and determined with reference to international or market practices, useful life, and the impact on the company's technology and business; the acquisition and disposal memberships should be negotiated and determined with reference to the potential effects and the most recent transaction price at that time.
- 2) When the transaction amount reaches 20% of the Company's paid-in capital or NT\$300 million or more, unless it is

a transaction conducted with domestic government agency, the company shall engage a certified public accountant prior to the date of occurrence of the event to render an opinion on the reasonableness of the transaction price; also, the CPA should have it processed in accordance with Auditing Standards Bulletin No. 20 regulations published by the Accounting Research and Development Foundation.

- 3) The calculation of the aforementioned transaction amounts shall be processed in accordance with Article 6.2.1 8), and “within the year” as used herein refers to the year preceding the date of occurrence of the current transaction. Items for which an appraisal report from a professional appraiser or a CPA’s opinion has been obtained need not be counted toward the transaction amount.

5.4 Procedures for related party transactions

5.4.1 For the acquisition and disposal of assets between the Company and the related party, in addition to handling relevant resolution procedures and evaluating the rationality of transaction conditions in accordance with the provisions of 5.1, 5.2, 5.3 and 5.4, when the transaction amount exceeds 10% of the company’s total assets, an appraisal report issued by a professional appraiser or the CPA’s opinion should be obtained in accordance with Article 5.1, 5.2, and 5.3. The transaction amount in this subparagraph shall be calculated in accordance with Article 5.1.2 6), 5.2.2 4), and 5.3.2 3). When judging whether a transaction counterparty is a related party, in addition to legal formalities, the substance of the relationship shall also be considered.

5.4.2 Resolution procedures

1) When the Company acquires or disposes of real property or right-of-use assets thereof from or to a related party, or when the Company acquires or disposes of assets other than real property or right-of-use assets thereof from or to a related party and the transaction amount reaches 20% of the Company’s paid-in capital, 10% of the Company’s total assets, or NT\$10 million or more, except in trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises, the Company may not proceed to enter into a transaction contract or make a payment until the following matters have been approved by the board of directors:

- (1) The purpose, necessity, and anticipated benefit of the acquisition or disposal of assets;
 - (2) The reason for choosing the related party as a transaction counterparty;
 - (3) With respect to the acquisition of real property or right-of-use assets thereof from a related party, information regarding appraisal of the reasonableness of the preliminary transaction terms in accordance with Article 5.4.3 and Article 5.4.4;
 - (4) The date and price at which the related party originally acquired the real property, the original transaction counterparty, and that transaction counterparty’s relationship to the company and the related party
 - (5) Monthly cash flow forecasts for the year commencing from the anticipated month of signing the contract, and evaluation of the necessity of the transaction, and reasonableness of the fund utilization;
 - (6) An appraisal report from a professional appraiser or a CPA’s opinion obtained in compliance with Article 5.4.1;
 - (7) Restrictive covenants and other important stipulations associated with the transaction;
- 2) The calculation of the transaction amounts referred to in the preceding paragraph shall be made in accordance with Article 6.2.1 8), and “within the year” as used herein refers to the year preceding the date of occurrence of the current transaction. Items that have been approved by the board of directors need not be counted toward the transaction amount.
- 3) With respect to the following transactions conducted between the Company and the subsidiaries, or between the subsidiaries that are with 100% of the issued shares or authorized capital held by the Company directly or indirectly, the Company’s board of directors may delegate the Chairman to decide such matters when the transaction is within a certain amount and have the decisions subsequently submitted to and ratified in the next board meeting.
- (1) Acquisition or disposal of equipment or right-of-use assets thereof held for business use;
 - (2) Acquisition or disposal of real property right-of-use assets held for business use;

5.4.2 Appraising the reasonableness of transaction costs

1) The Company while acquiring real property or right-of-use assets thereof from a related party shall evaluate the reasonableness of the transaction costs by the following means, and shall consult a certified public accountant for review and specific opinions:

- (1) Based upon the related party's transaction price plus necessary interest on funding and the costs to be duly borne by the buyer. "Necessary interest on funding" is imputed as the weighted average interest rate on borrowing in the year the Company purchases the property; provided, it may not be higher than the maximum non-financial industry lending rate announced by the Ministry of Finance.
 - (2) Total loan value appraisal from a financial institution where the related party has previously created a mortgage on the property as security for a loan; provided, the actual cumulative amount loaned by the financial institution shall have been 70% or more of the financial institution's appraised loan value of the property and the period of the loan shall have been 1 year or more. However, this shall not apply where the financial institution is a related party of one of the transaction counterparties.
 - (3) Where land and structures there upon are combined as a single property purchased or leased in one transaction, the transaction costs for the land and the structures may be separately appraised in accordance with either of the means listed in paragraph (1) and (2) above.
- 2) The Company when acquires real property or right-of-use assets thereof from a related party and one of the following circumstances exists, the acquisition shall be conducted in accordance with Article 5.4.2 instead of Article 5.4.3.1):
- (1) The related party acquired the real property or right-of-use assets thereof through inheritance or as a gift.
 - (2) More than 5 years will have elapsed from the time the related party signed the contract to obtain the real property or right-of-use assets thereof to the signing date for the current transaction.
 - (3) The real property is acquired through signing of a joint development contract with the related party, or through engaging a related party to build real property, either on the Company's own land or on rented land.
 - (4) The real property right-of-use assets for business use are acquired by the Company with the subsidiaries, or with the subsidiaries in which the Company directly or indirectly holds 100% of the issued shares or authorized capital.

5.4.3 The processes for the estimated transaction cost lower than the transaction price

- 1) When the results of the appraisal conducted in accordance with Article 5.4.3 1) by the Company is lower than the transaction price, except for in the following circumstances, objective evidence has been submitted and specific opinions on reasonableness have been obtained from a professional real property appraiser and a CPA have been obtained, it should be processed in accordance with Article 5.4.4 3):
 - (1) The Company acquiring undeveloped land or leased land for development may submit proof of compliance with one of the following conditions:
 - a) The said undeveloped land is appraised in accordance with the means stated in Article 5.4.3, and structures according to the related party's construction cost plus reasonable construction profit are valued in excess of the actual transaction price. The "reasonable construction profit" shall be deemed the average gross operating profit margin of the related party's construction division over the most recent 3 years or the gross profit margin for the construction industry for the most recent period as announced by the Ministry of Finance, whichever is lower.
 - b) Completed transactions by unrelated parties within the year involving other floors of the same property or neighboring or closely valued parcels of land, where the land area and transaction terms are similar after calculation of reasonable price discrepancies in floor or area land prices in accordance with standard property market sale or leasing practices.
 - (2) The Company acquiring real property, or obtaining real property right-of-use assets through leasing, from a related party provides evidence that the terms of the transaction are similar to the terms of completed transactions involving neighboring or closely valued parcels of land of a similar size by unrelated parties within the preceding year.
- 2) Completed transactions involving neighboring or closely valued parcels of land as stated in Article 5.4.4. 1) in principle refers to parcels on the same or an adjacent block and within a distance of no more than 500 meters or parcels close in publicly announced current value; transactions involving similarly sized parcels in principle refers to transactions completed by unrelated parties for parcels with a land area of no less than 50% of the property in the planned transaction; within the year refers to the year preceding the date of occurrence of the acquisition of the real property or obtainment of the right-of-use assets thereof.

3) When the Company acquires real property or right-of-use assets thereof from a related party and the results of appraisals conducted in accordance with Article 5.4.3 and 5.4.4 1) and 2) are uniformly lower than the transaction price, the following steps shall be taken:

- (1) A special reserve shall be appropriated in accordance with Article 41, paragraph 1 of the Securities and Exchange Act against the difference between the real property transaction price and the appraised cost, and may not be distributed or used for capital increase or issuance of bonus shares. For the public company that has the investment in the Company valued with the equity method, the special reserve called for under Article 41, paragraph 1 of the Securities and Exchange Act shall be set aside pro rata in a proportion consistent with the share of public company's equity stake in the other company.
- (2) The independent directors of the Audit Committee shall comply with Article 218 of the Company Act.
- (3) Actions taken pursuant to subparagraph (1) and (2) in the preceding paragraphs shall be reported to the shareholders meeting, and the details of the transaction shall be disclosed in the annual report and any investment prospectus.

5.4.4 Other things to note:

- 1) The Company's special reserve may not be utilized until it has recognized a loss on decline in market value of the assets it purchased or leased at a premium, or they have been disposed of, or the leasing contract has been terminated, or adequate compensation has been made, or the status quo ante has been restored, or there is other evidence confirming that there was nothing unreasonable about the transaction in accordance with Article 5.4.4 3), and the FSC has given its consent.
- 2) When the Company obtains real property or right-of-use assets thereof from a related party, it shall also comply with the provisions of Article 1) and 5.4.4 3) if there is other evidence indicating that the acquisition was not an arms-length transaction.

5.5 Procedures for engaging in derivatives trading

5.5.1 Trading principles and strategies

1) Type of derivatives trade

Please refer to Article 4.1 for the categories of derivatives transactions.

2) Operating (hedging) strategy

The Company has derivatives transactions conducted for the reasons of business needs in accordance with the principle of hedging; therefore, the Company does not engage in any non-hedging transactions.

3) Segregation of duties

(1) The board of directors

- a) Designate senior management personnel to pay continuous attention to monitoring and controlling derivatives trading risk.
- b) Periodically evaluate whether derivatives trading performance is consistent with established operational strategy and whether the risk undertaken is within the Company's permitted scope of tolerance.
- c) Review and approve each hedging transaction for an amount of NT\$300 million or more.

(2) Finance Department

- a) The Finance Department is responsible for the transaction, confirmation, and settlement of derivatives, which are to be conducted by the traders authorized by the Chief Executive Officer. The authorized traders may have a hedging transaction for an amount of NT\$300 million or less with the approval of the responsible supervisor.
- b) Provide the relevant transaction vouchers upon the completion of each transaction.
- c) Custody of transaction contracts

(3) Accounting Department

- a) Accounting Department is responsible for the measurement, supervision, and control of derivatives trading risks.
- b) Establish a log book in accordance with Article 5.5.7 2).
- c) Responsible for accounting processing and regularly assessing unrealized gains and losses based on the derivatives amount.

4) Performance evaluation

The Accounting Department should have the net income and loss prepared regularly for the reference of the management in decision-making and evaluation.

5) Total amount of derivatives contracts that may be traded, and the maximum loss limit on total trading and for individual contracts

(1) Hedging transactions

- a) The total hedging amount of the Company shall not exceed the demand generated from the business.
- b) The maximum loss limit for the total amount of hedging contracts of the Company: Shall not exceed 30% of the total contract amount.
- c) The maximum loss limit for individual of hedging contracts of the Company: Shall not exceed 30% of the individual contract amount.

(2) Non-hedging transactions

- a) The Company does not engage in non-hedging transactions.

- (3) If the maximum loss limit on total trading and for individual contracts exceed the loss limit, necessary countermeasures should be taken immediately with the board of directors informed. However, if the said loss is evidenced to be within the controllable range, the board of directors authorizes the senior executives to have it processed exceptionally.

5.5.2 Operating procedures

- 1) The risks and effects of a derivatives transaction must be evaluated in advance and the said derivatives transaction may not be conducted without the approval of the proper authority hierarchy.
- 2) The traders must have the relevant transaction vouchers prepared at the time of conducting a derivatives transaction.
- 3) The transaction vouchers must be delivered to the confirmation personnel within the day of the transaction, which must be confirmed by the confirmation personnel accordingly.

5.5.3 Risk management measures

1) Risk management scope

(1) Credit risk management

Disperse and fully understand the counterparty to prevent the risk of the counterparty's failing to perform.

(2) Market risk management

- a) Stay alert on the changes in financial conditions.
- b) Set the total transaction amount and the maximum loss limit.
- c) Stay alert on the Company's financial risk caused by unfavorable market price fluctuations, and operate and diversify financial instruments and market hedging appropriately.
- d) Adopt prudent and conservative hedging or trading strategies.

(3) Liquidity risk management

- a) Understand the liquidity of financial instruments, and operate and diversify financial instruments and market hedging appropriately.
- b) The financial and investment institutions must have sufficient equipment, information and trading capabilities for the transactions in order to ensure liquidity.

(4) Cash flow risk

The Company's estimated cash income and expense should be referred to when conducting transactions in order to ensure the sufficiency of the Company's working capital.

(5) Operating risk management

It is necessary to following the authorized quota and operating procedures strictly in order to avoid operational risks.

(6) Legal risk management

- a) Confirm the legality of the transactions.
- b) The power of attorney document and quota related contracts shall be signed with the review and approval of the Company's legal department or external law consultants.

- 2) Personnel engaged in derivatives trading may not serve concurrently in other operations such as confirmation and settlement.

- 3) Risk measurement, monitoring, and control personnel shall be assigned to a different department than the personnel in subparagraph 2) and shall report to the board of directors or senior management personnel with no responsibility for trading or position decision-making.
- 4) Derivatives trading positions held shall be evaluated at least once per week; however, positions for hedge trades required by business shall be evaluated at least twice per month. Evaluation reports shall be submitted to senior management personnel authorized by the board of directors.

5.5.4 Internal audits

- 1) Internal auditors personnel shall periodically make a determination of the suitability of internal controls on derivatives and conduct a monthly audit of how faithfully derivatives trading by the trading department adheres to the procedures for engaging in derivatives trading, and prepare an audit report. If any material violation is discovered, audit committee shall be notified in writing.
- 2) The Company's auditors shall file the said audit report in the preceding paragraph together with the implementation of the internal annual audit plan to the Securities and Futures Bureau before the end of the February in the following year. Also, the correction of the nonconformities should be reported to the Securities and Futures Bureau before the end of May the same year for future reference.

5.5.5 Regular evaluations

- 1) The Accounting Department evaluates the unrealized gains and losses on the balance of financial derivatives in accordance with the market prices or fair values.
- 2) Derivatives trading positions held shall be evaluated at least once per week; however, positions for hedge trades required by business shall be evaluated at least twice per month. Evaluation reports shall be submitted to senior management personnel authorized by the board of directors.

5.5.6 The board of directors shall supervise and manage according to the following principles:

- 1) Designate senior management personnel to supervise and control derivatives trading risks. The authorized senior management personnel should have derivatives transactions managed in accordance with the following principles:
 - (1) Periodically evaluate whether the current risk management measures are appropriate and are actually handled in accordance with the Regulations Governing the Acquisition and Disposal of Assets by Public Companies and the Procedures regularly.
 - (2) Supervise transactions and relevant profit and loss with necessary countermeasures applied for any nonconformities identified; also, report the said nonconformities to the board of directors immediately. The independent directors shall present in the board meeting to express their opinions.
- 2) Periodically evaluate whether derivatives trading performance is consistent with established operational strategy and whether the risk undertaken is within the Company's permitted scope of tolerance.

5.5.7 Other things to note

- 1) The Company when engages in derivative instrument transactions and authorizes relevant personnel to handle the transactions in accordance with the Procedures shall report it to the most recent board meeting afterwards.
- 2) Setup a log book
The Accounting Department shall setup a log book to record the type, amount, date of approval in the board meeting, and matters that should be carefully evaluated in accordance with 5.5.3 4), 5.5.6 1) (1) and 5.5.6 2) of the derivative transactions. Details are posted in the log book for future reference.

5.6 Procedures for business mergers, demergers, splits, acquisitions, and share transfers

5.6.1 Appraisal and operating procedures

- 1) Present the expert opinion for discussion in the board meeting
The Company for conducting a merger, demerger, acquisition, or transfer of shares, prior to convening the board meeting for resolutions, shall engage a CPA, attorney, or securities underwriter to give an opinion on the reasonableness of the share exchange ratio, acquisition price, or distribution of cash or other property to shareholders, and submit it to the board of directors for deliberation and passage. However, the requirement of obtaining an aforesaid opinion on reasonableness issued by an expert may be exempted in the case of the Company's merging a subsidiary in which the Company directly or indirectly holds 100% of the issued shares or authorized capital, and in the case of a merger between subsidiaries in which the Company directly or indirectly holds 100% of the respective subsidiaries' issued shares or authorized capital.

2) Convening shareholders meetings

- (1) The Company participating in a merger, demerger, acquisition, or transfer of shares shall prepare a public report to shareholders detailing important contractual content and matters relevant to the merger, demerger, or acquisition prior to the shareholders meeting and include it along with the expert opinion referred to in paragraph 1) when sending shareholders notification of the shareholders meeting for reference in deciding whether to approve the merger, demerger, or acquisition. Provided, where a provision of another act exempts the Company from convening a shareholder meeting to approve the merger, demerger, or acquisition, this restriction shall not apply.
- (2) Where the shareholders meeting of any one of the companies participating in a merger, demerger, or acquisition fails to convene or pass a resolution due to lack of a quorum, insufficient votes, or other legal restriction, or the proposal is rejected by the shareholders meeting, the companies participating in the merger, demerger or acquisition shall immediately publicly explain the reason, the follow-up measures, and the preliminary date of the next shareholders meeting.

5.6.2 Other things to note

- 1) The company participating in a merger, demerger, or acquisition shall convene a board of directors meeting and shareholders meeting on the day of the transaction to resolve matters relevant to the merger, demerger, or acquisition, unless another act provides otherwise or the FSC is notified in advance of extraordinary circumstances and grants consent. The company participating in a transfer of shares shall call a board of directors meeting on the day of the transaction, unless another act provides otherwise or the FSC is notified in advance of extraordinary circumstances and grants consent.
- 2) When participating in a merger, demerger, acquisition, or transfer of another company's shares, the company that is listed on an exchange or has its shares traded on an OTC market shall prepare a full written record of the following information and retain it for 5 years for reference:
 - (1) Basic identification data for personnel
It includes the occupational titles, names, and national ID numbers (or passport numbers in the case of foreign nationals) of all persons involved in the planning or implementation of any merger, demerger, acquisition, or transfer of another company's shares prior to disclosure of the information.
 - (2) Dates of material events
It includes the signing of any letter of intent or memorandum of understanding, the hiring of a financial or legal advisor, the execution of a contract, and the convening of a board meeting.
 - (3) Important documents and minutes
It includes merger, demerger, acquisition, and share transfer plans, any letter of intent or memorandum of understanding, material contracts, and minutes of board meetings.
- 3) When participating in a merger, demerger, acquisition, or transfer of another company's shares, the company that is listed on an exchange or has its shares traded on an OTC market shall, within 2 days counting inclusively from the date of passage of a resolution by the board of directors, report (in the prescribed format and via internet information system) the information set out in subparagraphs 2) (1) and (2) of the preceding paragraph to the Financial Supervisory Commission for recordation.
- 4) Where any of the companies participating in a merger, demerger, acquisition, or transfer of another company's shares is neither listed on an exchange nor has its shares traded on an OTC market, the company(s) so listed or traded shall sign an agreement with such company whereby the latter is required to abide by the provisions of the subparagraph 2) and 3).
- 5) Confidentiality Commitment
Every person participating in or privy to the plan for merger, demerger, acquisition, or transfer of shares shall issue a written undertaking of confidentiality and may not disclose the content of the plan prior to public disclosure of the information and may not trade, in their own name or under the name of another person, in any stock or other equity security of any company related to the plan for merger, demerger, acquisition, or transfer of shares.

6) Changes in share exchange ratio or acquisition price

The Company participating in a merger, demerger, acquisition, or transfer of shares may not arbitrarily alter the share exchange ratio or acquisition price unless under the below-listed circumstances, and shall stipulate the circumstances permitting alteration in the contract for the merger, demerger, acquisition, or transfer of shares:

- (1) Cash capital increase, issuance of convertible corporate bonds, or the issuance of stock dividends, issuance of corporate bonds with warrants, preferred shares with warrants, stock warrants, or other equity-based securities;
- (2) An action, such as a disposal of major assets, that affects the company's financial operations;
- (3) An event, such as a major disaster or major change in technology, that affects shareholder equity or share price;
- (4) An adjustment where any of the companies participating in the merger, demerger, acquisition, or transfer of shares from another company, buys back treasury stock;
- (5) An increase or decrease in the number of entities or companies participating in the merger, demerger, acquisition, or transfer of shares;
- (6) Other terms/conditions that the contract stipulates may be altered and that have been publicly disclosed;

7) Contents to be contained in the contract

The contract for participation by the Company in a merger, demerger, acquisition, or of shares shall record the rights and obligations of the companies participating in the merger, demerger, acquisition, or transfer of shares, and shall also record the following:

- (1) Handling of breach of contract;
- (2) Principles for the handling of equity-type securities previously issued or treasury stock previously bought back by any company that is extinguished in a merger or that is demerged;
- (3) The amount of treasury stock participating companies are permitted under law to buy back after the record date of calculation of the share exchange ratio, and the principles for handling thereof;
- (4) The manner of handling changes in the number of participating entities or companies;
- (5) Preliminary progress schedule for plan execution, and anticipated completion date;
- (6) Scheduled date for convening the legally mandated shareholders meeting if the plan exceeds the deadline without completion, and relevant procedures;

8) When the number of participating companies in merger, demerger, acquisition or share transfer changed

After public disclosure of the information, if any company participating in the merger, demerger, acquisition, or share transfer intends further to carry out a merger, demerger, acquisition, or share transfer with another company, all of the participating companies shall carry out anew the procedures or legal actions that had originally been completed toward the merger, demerger, acquisition, or share transfer; except that where the number of participating companies is decreased and a participating company's shareholders meeting has adopted a resolution authorizing the board of directors to alter the limits of authority, such participating company may be exempted from calling another shareholders meeting to resolve on the matter anew.

9) Where any of the companies participating in a merger, demerger, acquisition, or transfer of shares is not a public company, the Company shall sign an agreement with the non-public company in accordance with paragraph 1) ~ 5) and 8) in the preceding paragraph.

5.7 Procedures for acquiring or disposing of financial institutions' claims

The Company does not acquire or dispose of financial institutions' claims in principle. However, if the Company plans to conduct such transactions, each transaction will be proposed to the board of directors for approval in accordance with the Regulations Governing the Acquisition and Disposal of Assets by Public Companies.

5.8 Other things to note

5.8.1 For the "10% of total assets" under the "Procedures" the total assets stated in the most recent the Company financial report or individual financial report prepared under the Regulations Governing the Preparation of Financial Reports by Securities Issuers shall be used.

5.8.2 In the case of the Company's subsidiary's shares have no par value or a par value other than NT\$10, for the calculation of transaction amounts of 20% of paid-in capital under the Procedures, 10% of equity attributable to owners of the parent company shall be substituted; for calculations under the provisions of the Procedures regarding transaction amounts relative to paid-in capital of NT\$10 billion, NT\$20 billion of equity attributable to owners of the parent company shall be substituted.

6 Information disclosure

6.1 The Accounting Department is the execution unit for the Company's announcement and reporting.

6.1.1 The contents of the announcement and declaration should be submitted to the Accounting Department by each unit before the date of occurrence, or to the Accounting Department two weeks before the date of occurrence if the opinions of the CPAs are requested.

6.2 Announcement and reporting procedures and standards

6.2.1 Under any of the following circumstances, the Company acquiring or disposing of assets shall publicly announce and report the relevant information on the FSC's designated website in the appropriate format as prescribed and by the nature of the transaction within 2 days counting inclusively from the date of occurrence of the event:

- 1) When the Company acquires or disposes of real property or right-of-use assets thereof from or to a related party, or when the Company acquires or disposes of assets other than real property or right-of-use assets thereof from or to a related party and the transaction amount reaches 20% or more of paid-in capital, 10% or more of the Company's total assets, or NT\$300 million or more, except in trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises;
- 2) Conducting a merger, demerger, acquisition, or share transfer with another company;
- 3) Losses from derivatives trading reaching the limits on aggregate losses or losses on individual contracts set out in the Procedures;
- 4) Where equipment or right-of-use assets thereof for business use are acquired or disposed of, and furthermore the transaction counterparty is not a related party, and the transaction amount meets any of the following criteria:
 - (1) When the Company's paid-in capital is less than NT\$10 billion, the transaction amount reaches NT\$500 million or more;
 - (2) When the Company's paid-in capital is NT\$10 billion or more, the transaction amount reaches NT\$1 billion or more;
- 5) The Company's subsidiary engaging in the construction business acquires or disposes real property or right-of-use assets thereof for construction use, furthermore, the transaction counterparty is not a related party, and the transaction amount reaches NT\$500 million; also, the paid-in capital reaches NT\$10 billion or more, and the real property from a completed construction project that it constructed itself is sold to the counterparty that is not a related party, then the threshold shall be a transaction amount reaching NT\$1 billion or more.
- 6) Where land is acquired under an arrangement on engaging others to build on the Company's own land, engaging others to build on rented land, joint construction and allocation of housing units, joint construction and allocation of ownership percentages, or joint construction and separate sale, and furthermore the transaction counterparty is not a related party, and the amount the Company expects to invest in the transaction reaches NT\$500 million.
- 7) Where an asset transaction other than any of those referred to in the aforementioned paragraphs 1) ~ 6), a disposal of receivables by a financial institution, or an investment in the mainland China area reaches 20% or more of paid-in capital or NT\$300 million; provided, this shall not apply to the following circumstances:
 - (1) Trading of domestic government bonds;
 - (2) Trading of bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises;
- 8) The aforementioned transaction amount shall be calculated as follows:
 - (1) The amount of any individual transaction;
 - (2) The cumulative transaction amount of acquisitions and disposals of the same type of underlying asset with the same transaction counterparty within the preceding year;
 - (3) The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of real property or right-of-use assets thereof within the same development project within the preceding year;
 - (4) The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of the same security within the preceding year;

- 9) "Within the preceding year" as stated in paragraph 8) refers to the year preceding the date of occurrence of the current transaction. Items duly announced in accordance with the Procedures need not be counted toward the transaction amount.
- 6.2.2 The Company shall compile monthly reports on the status of derivatives trading engaged in up to the end of the preceding month by the Company and any subsidiaries that are not domestic public companies and enter the information in the prescribed format into the information reporting website designated by the FSC by the 10th day of each month.
- 6.2.3 When the Company at the time of public announcement makes an error or omission in an item required by regulations to be publicly announced and so is required to correct it, all the items shall be again publicly announced and reported in their entirety within 2 days counting inclusively from the date of knowing of such error or omission.
- 6.2.4 Where any of the following circumstances occurs with respect to a transaction that the Company has already publicly announced and reported in accordance with Article 6.2.1, Article 6.2.2, and Article 6.2.3, a public report of relevant information shall be made on the information reporting website designated by the FSC within 2 days counting inclusively from the date of occurrence of the event:
- 1) Change, termination, or rescission of a contract signed in regard to the original transaction;
 - 2) The merger, demerger, acquisition, or transfer of shares is not completed by the scheduled date set forth in the contract.
 - 3) Change to the originally publicly announced and reported information;
- 6.2.5 Subsidiary's announcement and reporting
- 1) Information required to be publicly announced and reported by the Company's subsidiary that is not itself a public company in Taiwan shall be reported by the Company.
 - 2) The paid-in capital or total assets of the Company shall be the standard applicable to a subsidiary in determining whether, relative to 20% of paid-in capital or 10% of total assets, it reaches a threshold requiring public announcement and reporting under Article 6.2.1.

7 Investment scope and quota

In addition to the assets and the right-of-use assets thereof acquired for business purpose, the Company and the subsidiaries may also obtain real property, right-of-use assets therefore, and marketable securities that are not for business purpose with the quota setup as follows:

- 7.1 The total amount of real property and the right-of-use assets thereof that are not intended for business purpose shall not exceed the total shareholders' equity attributable to the parent company in the Company's most recent financial reports audited, certified, or reviewed by the independent auditors.
- 7.2 The total amount of marketable securities shall not exceed twice the amount attributable to the shareholders' equity of the parent company in the Company's most recent financial reports audited, certified, or reviewed by the independent auditors.
- 7.3 The limit of individual marketable securities shall not exceed twice the amount attributable to the shareholders' equity of the parent company in the Company's most recent financial reports audited, certified, or reviewed by the independent auditors.

8 Penalties

The managerial officers and responsible personnel of the Company who has violated the Procedures will be disciplined accordingly to the offense in accordance with the relevant personnel management regulations of the Company.

9 The control procedure for the acquisition and disposal of assets by subsidiaries

- 9.1 The Company's subsidiaries shall formulate their respective "Procedures for the Acquisition and Disposal of Assets" in accordance with the "Procedures" and have it implemented accordingly.
- 9.2 Information related to the acquisition and disposal of assets required to be publicly announced and reported by the Company's subsidiary that is not itself a public company in Taiwan pursuant to Article 6.2.1 shall be reported by the Company with the precondition of having the Company informed on the date of occurrence.

10 Other things to note

- 10.1 The Procedures approved by the board of directors should be presented in the shareholders meeting for approval; the same applies when the Procedures are amended. When submitting the Procedures to the board of directors for discussion, the opinions of each independent director shall be fully considered. If any independent director has any objection or reservation, it shall be stated in the minutes of the board meeting.
- 10.2 When the Company has the acquisition and disposal of assets proposed to the board of directors for discussion pursuant to the Procedures or other law and regulations, the board of directors shall take into full consideration each independent director's opinions. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the board meeting.
- 10.3 Matters to be resolved by the board of directors in accordance with Article 10.1 and 10.2 must be approved by the Audit Committee in advance
If approval of one-half or more of all Audit Committee members as required in the preceding paragraph is not obtained, the Procedures may be implemented if approved by two-thirds or more of all directors, and the resolution of the Audit Committee shall be recorded in the minutes of the board meeting.
- 10.4 Professional appraisers and their officers, certified public accounts, attorneys, and securities underwriters that provide the Company with appraisal reports, certified public accountant's opinions, attorney's opinions, or underwriter's opinions shall meet the following requirements:
- 10.4.1 May not have previously received a final and unappealable sentence to imprisonment for 1 year or longer for a violation of the Securities and Exchange Act, the Company Act, the Banking Act, the Insurance Act, the Financial Holding Company Act, or the Business Entity Accounting Act, or for fraud, breach of trust, embezzlement, forgery of documents, or occupational crime. However, this provision does not apply if 3 years have already passed since completion of service of the sentence, since expiration of the period of a suspended sentence, or since a pardon was received.
- 10.4.2 May not be a related party or de facto related party of any party to the transaction.
- 10.4.3 If the company is required to obtain appraisal reports from two or more professional appraisers, the different professional appraisers or appraisal officers may not be related parties or de facto related parties of each other.
- 10.5 When the Company acquires or disposes of assets through court auction procedures, the evidentiary documentation issued by the court may be substituted for the appraisal report or CPA opinion.
- 10.6 When the Company acquires or disposes of assets, it shall keep relevant contracts, meeting minutes, log books, appraisal reports, and CPA, attorney or securities underwriters opinions at the Company. Unless otherwise provided by other act to retain for at least 5 years.

11 Supplementary provisions

None

12 Attachment

None

Appendix IV

Continental Holdings Corporation: Shareholdings of All Directors

Minimum shareholding requirement of All Directors	Shareholding as of 2021.4.11
26,342,911	269,780,867

Title	Name	Shareholdings as of 2022.4.11
Chairman	Ms. Nita Ing Representative of Wei-Dar Development Co., Ltd	206,025,200
Director	Ms. Helena Kuo Representative of Wei-Dar Development Co., Ltd	206,025,200
Director	Mr. John Huang Representative of Han-De Construction Co., Ltd.	63,755,667
Director	Mr. Hsiung Chiang Representative of Han-De Construction Co., Ltd.	63,755,667
Independent Director	Mr. Allen Lee	0
Independent Director	Mr. Frank Juang	0
Independent Director	Ms. Jolien Shu	0
Total Directors' shareholding		269,780,867

