

**CONTINENTAL HOLDINGS CORPORATION
AND SUBSIDIARIES**

CONSOLIDATED FINANCIAL STATEMENTS

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

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

Telephone: (02)3701-2000

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

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安侯建業聯合會計師事務所
KPMG

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

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

Independent Auditors' Review Report

To the Board of Directors
CONTINENTAL HOLDINGS CORPORATION:

Introduction

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

Scope of Review

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

Basis for Qualified Conclusion

As stated in Note 4(b), the consolidated financial statements included the financial statements of certain non-significant subsidiaries, which were not reviewed by independent auditors. These financial statements reflect total assets amounting to \$27,144,700 thousand and \$25,169,471 thousand, constituting 32.32% and 33.23% of consolidated total assets; and total liabilities amounting to \$13,270,958 thousand and \$16,480,930 thousand, constituting 24.98% and 36.01% of consolidated total liabilities as of September 30, 2024 and 2023, respectively; as well as the total comprehensive income amounting to \$(312,598) thousand, \$66,383 thousand, \$(720,783) thousand and \$21,231 thousand, constituting 183.37%, 8.75%, (48.61)% and 1.13% of consolidated total comprehensive income for the three months and nine months ended September 30, 2024 and 2023, respectively.

Furthermore, as stated in Note 6(h), the other equity accounted investments of the CONTINENTAL HOLDINGS CORPORATION and its subsidiaries in its investee companies of \$1,577,265 thousand and \$1,595,504 thousand as of September 30, 2024 and 2023, respectively, and its equity in net earnings on these investee companies of \$(22,779) thousand, \$3,801 thousand, \$(21,388) thousand and \$28,517 thousand for the three months and nine months ended September 30, 2024 and 2023, respectively, were recognized solely on the financial statements prepared by these investee companies, but not reviewed by independent auditors.

Qualified Conclusion

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

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

KPMG

Taipei, Taiwan (Republic of China)
November 1, 2024

Notes to Readers

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

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

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

CONTINENTAL HOLDINGS CORPORATION AND SUBSIDIARIES

Consolidated Statements of Comprehensive Income

For the nine months ended September 30, 2024 and 2023

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

	For the three months ended September 30				For the nine months ended September 30			
	2024		2023		2024		2023	
	Amount	%	Amount	%	Amount	%	Amount	%
4000 Operating revenues (Notes (aa) and 7)	\$ 8,189,981	100	7,793,911	100	\$ 23,034,942	100	22,563,298	100
5000 Operating costs (Notes 6(g), (w), 7 and 12)	7,179,597	88	6,758,907	87	20,147,222	87	19,438,555	86
Gross profit from operations	<u>1,010,384</u>	<u>12</u>	<u>1,035,004</u>	<u>13</u>	<u>2,887,720</u>	<u>13</u>	<u>3,124,743</u>	<u>14</u>
Operating expenses (Notes 6(s), (w), (ab), 7 and 12):								
6100 Selling expenses	185,989	2	114,922	1	409,321	2	307,539	1
6200 Administrative expenses	446,223	5	414,865	5	1,304,106	6	1,192,460	5
	<u>632,212</u>	<u>7</u>	<u>529,787</u>	<u>6</u>	<u>1,713,427</u>	<u>8</u>	<u>1,499,999</u>	<u>6</u>
Net operating income	<u>378,172</u>	<u>5</u>	<u>505,217</u>	<u>7</u>	<u>1,174,293</u>	<u>5</u>	<u>1,624,744</u>	<u>8</u>
Non-operating income and expenses (Notes 6(ac) and 7):								
7100 Interest income	23,905	-	23,371	-	73,655	-	72,192	-
7010 Other income	176,133	2	138,271	2	246,703	1	234,535	1
7020 Other gains and losses, net	217,866	3	28,793	-	297,446	1	(67,949)	-
7050 Finance costs, net(Notes 6(g) and 6(s))	(183,888)	(3)	(199,392)	(3)	(548,370)	(2)	(618,962)	(3)
7060 Share of profit (losses) of associates and joint ventures accounted for using equity method (Note 6(h))	(22,779)	-	3,801	-	(21,388)	-	28,517	-
	<u>211,237</u>	<u>2</u>	<u>(5,156)</u>	<u>(1)</u>	<u>48,046</u>	<u>-</u>	<u>(351,667)</u>	<u>(2)</u>
7900 Income before tax	589,409	7	500,061	6	1,222,339	5	1,273,077	6
7950 Less: Income tax expenses (Note 6(x))	119,166	1	107,365	1	305,184	1	269,770	1
Net income	<u>470,243</u>	<u>6</u>	<u>392,696</u>	<u>5</u>	<u>917,155</u>	<u>4</u>	<u>1,003,307</u>	<u>5</u>
8300 Other comprehensive income:								
8310 Items that will not be reclassified to profit or loss								
8316 Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	(538,564)	(7)	102,584	1	371,865	2	497,530	2
8317 Gains on hedging instrument	62,249	1	(13,617)	-	21,410	-	(21,027)	-
8349 Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	-	-	-	-	-	-	-	-
Components of other comprehensive income that will not be reclassified to profit or loss	<u>(476,315)</u>	<u>(6)</u>	<u>88,967</u>	<u>1</u>	<u>393,275</u>	<u>2</u>	<u>476,503</u>	<u>2</u>
8360 Items that will be reclassified to profit or loss								
8361 Exchange differences on translation of foreign financial statements	(164,404)	(2)	277,088	4	172,427	1	402,482	2
8399 Income tax related to components of other comprehensive income that will be reclassified to profit or loss	-	-	-	-	-	-	-	-
Components of other comprehensive income that will be reclassified to profit or loss	<u>(164,404)</u>	<u>(2)</u>	<u>277,088</u>	<u>4</u>	<u>172,427</u>	<u>1</u>	<u>402,482</u>	<u>2</u>
8300 Other comprehensive income	<u>(640,719)</u>	<u>(8)</u>	<u>366,055</u>	<u>5</u>	<u>565,702</u>	<u>3</u>	<u>878,985</u>	<u>4</u>
Total comprehensive income	<u>\$ (170,476)</u>	<u>(2)</u>	<u>758,751</u>	<u>10</u>	<u>\$ 1,482,857</u>	<u>7</u>	<u>1,882,292</u>	<u>9</u>
Net income, attributable to:								
8610 Owners of parent	\$ 561,893	7	474,012	6	\$ 1,312,044	6	1,264,109	6
8620 Non-controlling interests	(91,650)	(1)	(81,316)	(1)	(394,889)	(2)	(260,802)	(1)
	<u>\$ 470,243</u>	<u>6</u>	<u>392,696</u>	<u>5</u>	<u>\$ 917,155</u>	<u>4</u>	<u>1,003,307</u>	<u>5</u>
Total comprehensive income attributable to:								
8710 Owners of parent	\$ (21,460)	-	721,854	10	\$ 1,825,412	8	1,983,354	9
8720 Non-controlling interests	(149,016)	(2)	36,897	-	(342,555)	(1)	(101,062)	-
	<u>\$ (170,476)</u>	<u>(2)</u>	<u>758,751</u>	<u>10</u>	<u>\$ 1,482,857</u>	<u>7</u>	<u>1,882,292</u>	<u>9</u>
Earnings per share (Note 6(z))								
9750 Basic earnings per share (NT dollars)	<u>\$ 0.68</u>		<u>0.58</u>		<u>1.59</u>		<u>1.54</u>	
9850 Diluted earnings per share (NT dollars)	<u>\$ 0.68</u>		<u>0.58</u>		<u>1.59</u>		<u>1.53</u>	

See accompanying notes to financial statements.

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

CONTINENTAL HOLDINGS CORPORATION AND SUBSIDIARIES

Consolidated Statements of Changes in Equity

For the nine months ended September 30, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollars)

	Equity attributable to owners of parent						Total other equity						Total equity
	Capital stock		Retained earnings				Exchange differences on translation of foreign financial statements	Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	Gains (losses) on hedging instruments	Total other equity	Total equity attributable to owners of parent	Non-controlling interests	
	Common Stock	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Total							
Balance at January 1, 2023	\$ 8,232,160	6,817,198	1,126,567	2,262,233	7,441,346	10,830,146	(695,150)	1,140,119	(1,549)	443,420	26,322,924	3,058,525	29,381,449
Net income	-	-	-	-	1,264,109	1,264,109	-	-	-	-	1,264,109	(260,802)	1,003,307
Other comprehensive income (loss)	-	-	-	-	-	-	242,742	497,530	(21,027)	719,245	719,245	159,740	878,985
Total comprehensive income (loss)	-	-	-	-	1,264,109	1,264,109	242,742	497,530	(21,027)	719,245	1,983,354	(101,062)	1,882,292
Appropriation and distribution of retained earnings:													
Legal reserve appropriated	-	-	293,164	-	(293,164)	-	-	-	-	-	-	-	-
Cash dividends	-	-	-	-	(2,058,040)	(2,058,040)	-	-	-	-	(2,058,040)	-	(2,058,040)
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	770,740	770,740
Balance at September 30, 2023	\$ 8,232,160	6,817,198	1,419,731	2,262,233	6,354,251	10,036,215	(452,408)	1,637,649	(22,576)	1,162,665	26,248,238	3,728,203	29,976,441
Balance at January 1, 2024	\$ 8,232,160	6,817,198	1,419,731	2,262,233	6,787,266	10,469,230	(673,352)	2,527,444	(20,543)	1,833,549	27,352,137	3,423,565	30,775,702
Net income	-	-	-	-	1,312,044	1,312,044	-	-	-	-	1,312,044	(394,889)	917,155
Other comprehensive income (loss)	-	-	-	-	-	-	120,093	371,865	21,410	513,368	513,368	52,334	565,702
Total comprehensive income (loss)	-	-	-	-	1,312,044	1,312,044	120,093	371,865	21,410	513,368	1,825,412	(342,555)	1,482,857
Appropriation and distribution of retained earnings:													
Legal reserve appropriated	-	-	169,713	-	(169,713)	-	-	-	-	-	-	-	-
Cash dividends	-	-	-	-	(1,234,824)	(1,234,824)	-	-	-	-	(1,234,824)	-	(1,234,824)
Reversal of special reserve	-	-	-	(1,355,143)	1,355,143	-	-	-	-	-	-	-	-
Disposal of subsidiaries	-	-	-	-	-	-	(80,948)	-	-	(80,948)	(80,948)	-	(80,948)
Changes in ownership interests in subsidiaries	-	5,980	-	-	-	-	-	-	-	-	5,980	(5,980)	-
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(80,746)	(80,746)
Balance at September 30, 2024	\$ 8,232,160	6,823,178	1,589,444	907,090	8,049,916	10,546,450	(634,207)	2,899,309	867	2,265,969	27,867,757	2,994,284	30,862,041

See accompanying notes to financial statements.

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

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

	For the nine months ended September 30	
	2024	2023
Cash flows from operating activities:		
Income before tax	\$ 1,222,339	1,273,077
Adjustments:		
Adjustments to reconcile profit and loss:		
Depreciation expense	419,608	358,362
Amortization expense	54,455	51,562
Interest expense	547,828	618,419
Interest income	(73,655)	(72,192)
Dividend income	(215,958)	(177,422)
Amortization of issuance costs on bonds payable	542	543
Share of loss (gain) of associates and joint ventures accounted for using equity method	21,388	(28,517)
Loss (gain) on disposal of property, plant and equipment	190	(126)
(Gain) loss on disposal of property, plant and equipment (under construction costs)	(60,894)	69
Gain on disposal of investment properties	(57,534)	-
Warranty provisions recognition (write-off)	(68,740)	(233,868)
Gain on reversal of estimated account payable	(82)	-
Total adjustments to reconcile profit and loss	<u>567,148</u>	<u>516,830</u>
Changes in operating assets and liabilities:		
Changes in operating assets:		
Contract assets	58,527	571,209
Notes receivable	654	160
Accounts receivable	(826,567)	(791,922)
Other receivables	(151,228)	31,614
Inventories	(3,585,724)	(817,670)
Prepayments	(609,595)	(427,789)
Other current assets	(1,162,733)	(1,284,820)
Current assets recognised as incremental costs to obtain contract with customers	(99,740)	59,344
Total changes in operating assets	<u>(6,376,406)</u>	<u>(2,659,874)</u>
Changes in operating liabilities:		
Contract liabilities	4,464,761	470,136
Notes and accounts payable	139,702	54,764
Other payables	88,804	(116,032)
Provisions	(11,224)	(12,441)
Receipts in advance	8,417	25,900
Other current liabilities	(31,689)	(251)
Net defined benefit liability	(3,583)	(4,758)
Total changes in operating liabilities	<u>4,655,188</u>	<u>417,318</u>
Total changes in operating assets and liabilities	<u>(1,721,218)</u>	<u>(2,242,556)</u>
Total adjustments	<u>(1,154,070)</u>	<u>(1,725,726)</u>
Cash outflow generated from operations	68,269	(452,649)
Interest received	58,938	58,547
Interest paid	(702,444)	(696,615)
Income taxes paid	(379,865)	(184,361)
Net cash flows used in operating activities	<u>(955,102)</u>	<u>(1,275,078)</u>

See accompanying notes to financial statements.

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

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

	For the nine months ended September 30	
	2024	2023
Cash flows from investing activities:		
Acquisition of financial assets for hedging	(475,986)	(171,244)
Disposal of financial assets for hedging	276,702	1,447,581
Price of associates acquisition	(51,940)	-
Acquisition of property, plant and equipment	(265,074)	(177,020)
Disposal of property, plant and equipment	63,016	152
Increase in other receivables	-	(5,431)
Increase in non-current other receivables	(205,713)	(86,344)
Acquisition of intangible assets	(2,179,963)	(375,176)
Disposal of investment properties	62,850	-
Decrease in other financial assets	1,018,135	1,561,094
Other non-current assets	(12,382)	(8,755)
Prepayments for business facilities	(98,149)	(163,897)
Dividends received	267,618	204,573
Long-term payments	2	-
Net cash flows (used in) from investing activities	(1,600,884)	2,225,533
Cash flows from financing activities:		
Increase in short-term borrowings	35,536,232	30,124,293
Decrease in short-term borrowings	(31,846,301)	(29,686,370)
Increase in short-term notes and bills payable	4,330,000	4,362,000
Decrease in short-term notes and bills payable	(4,230,000)	(4,273,000)
Increase in long-term borrowings	9,769,178	3,071,236
Decrease in long-term borrowings	(10,585,157)	(3,009,855)
Increase in guarantee deposits received	13,403	-
Decrease in guarantee deposits received	-	(46,786)
Other payables	27,686	56,993
Payment of lease liabilities	(56,709)	(53,406)
Cash dividends paid	(1,284,010)	(2,073,431)
Change in non-controlling interests	(31,560)	838,753
Net cash flows from (used in) financing activities	1,642,762	(689,573)
Effect of exchange rate changes on cash and cash equivalents	40,852	22,492
Net (decrease) increase in cash and cash equivalents	(872,372)	283,374
Cash and cash equivalents at beginning of year	6,878,141	5,822,416
Cash and cash equivalents at end of year	\$ 6,005,769	6,105,790

See accompanying notes to financial statements.

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

CONTINENTAL HOLDINGS CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

For the nine months ended September 30, 2024 and 2023

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

(1) Company history

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

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

The consolidated financial statements were approved and authorized for issue by the Board of Directors on November 1, 2024.

(3) New standards, amendments and interpretations adopted

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

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

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

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

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

- Amendments to IAS21 “Lack of Exchangeability”

(Continued)

CONTINENTAL HOLDINGS CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

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

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

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

(Continued)

CONTINENTAL HOLDINGS CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

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

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CONTINENTAL HOLDINGS CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

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

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

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

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

(4) Summary of material accounting policies:

(a) Statement of compliance

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

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

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CONTINENTAL HOLDINGS CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(b) Basis of consolidation

(i) Subsidiaries included in the consolidated financial statements

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

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CONTINENTAL HOLDINGS CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

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

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

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

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

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

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

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

Note G: The Company decided to liquidate in March 2024, as resolved by the management of CEC. In August 2024, the Board of Directors approved a capital reduction to offset losses and a remittance of liquidation proceeds of USD 49 thousand to its investment company, CEC. As of September 30, 2024, the liquidation process is still ongoing.

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

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

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CONTINENTAL HOLDINGS CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

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

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

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

(c) Employee benefits

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

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

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

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

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

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

(e) Income taxes

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

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

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CONTINENTAL HOLDINGS CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

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

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

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

(6) Explanation of significant accounts

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

(a) Cash and cash equivalents

	September 30, 2024	December 31, 2023	September 30, 2023
Cash	\$ 24,477	24,423	23,988
Cash in banks	3,422,238	4,058,965	3,341,214
Cash in transit	-	-	3,246
Time deposits	1,332,402	1,536,389	2,317,594
Cash equivalents	<u>1,226,652</u>	<u>1,258,364</u>	<u>419,748</u>
	<u>\$ 6,005,769</u>	<u>6,878,141</u>	<u>6,105,790</u>

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

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

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

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CONTINENTAL HOLDINGS CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

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

	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
Equity investments at fair value through other comprehensive income:			
Listed common share – Evergreen Steel Corp.	\$ 3,039,039	2,667,174	1,820,859
Unlisted common share – Xinrong Enterprise	700,770	700,770	657,982
Unlisted common share – Metro Consulting Service Ltd.	<u>3,690</u>	<u>3,690</u>	<u>2,998</u>
Total	<u>\$ 3,743,499</u>	<u>3,371,634</u>	<u>2,481,839</u>

- (i) The Group designated the investments shown above as equity securities as at fair value through other comprehensive income because these equity securities represent those investments that the Group intends to hold for long-term for strategic purposes.
- (ii) The Group recognized the dividends revenue of \$215,958 thousand and \$177,422 thousand related to equity investments designated at fair value through other comprehensive income for the nine months ended September 30, 2024 and 2023.
- (iii) There were no disposals of strategic investments and transfers of any cumulative gain or loss within equity relating to these investments for the nine months ended September 30, 2024 and 2023.
- (iv) The aforementioned financial assets were not pledged as collateral.
- (v) Please refer to note 6(ad) for the credit risk and market risk.
- (d) Financial instruments used for hedging

	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
Cash flow hedge:			
Financial assets used for hedging	\$ 230,089	28,839	25,310
Financial liabilities used for hedging	<u>-</u>	<u>(19,444)</u>	<u>(22,990)</u>
Total	<u>\$ 230,089</u>	<u>9,395</u>	<u>2,320</u>

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CONTINENTAL HOLDINGS CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

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

<u>Item Hedged</u>	<u>Hedge instrument</u>	<u>Hedge instrument designated to be hedge and fair value</u>		
		<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
Expected foreign assets	Foreign deposits	\$ <u>229,222</u>	<u>29,938</u>	<u>24,896</u>
	Change in value of Foreign currency	\$ <u>(1,542)</u>	<u>(1,099)</u>	<u>414</u>
Expected cash flow period		2024~2025	2023~2024	2023~2024

<u>Item Hedged</u>	<u>Hedge instrument</u>	<u>Hedge instrument designated to be hedge and fair value</u>		
		<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
Expected foreign assets (liabilities)	Forward exchange	\$ <u>2,409</u>	<u>(19,444)</u>	<u>(22,990)</u>
Amount (National principal)		JPY649,500	JPY4,665,000	JPY3,761,625
Delivery Date		2024.11~ 2025.03	2024.03~ 2025.03	2024.03~ 2024.11

- (iii) The transactions of cash flow hedges for the nine months ended September 30, 2024 and 2023, were all effective.
- (e) Notes and accounts receivable

	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
Notes receivable	\$ 30	684	11,927
Accounts receivable	2,447,519	2,987,278	2,168,448
Long-term accounts receivable	7,069,242	5,867,118	6,284,470
Less: Allowance for bad debts	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 9,516,791</u>	<u>8,855,080</u>	<u>8,464,845</u>

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

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CONTINENTAL HOLDINGS CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	September 30, 2024		
	Gross carrying amount	Weighted- average loss rate	Loss allowance provision
Not overdue	\$ 9,210,786	-	-
Pass due less than one year	250,475	-	-
Pass due over one year	55,530	-	-
	\$ 9,516,791		-
	December 31, 2023		
	Gross carrying amount	Weighted- average loss rate	Loss allowance provision
Not overdue	\$ 8,769,062	-	-
Pass due less than one year	31,738	-	-
Pass due over one year	54,280	-	-
	\$ 8,855,080		-
	September 30, 2023		
	Gross carrying amount	Weighted- average loss rate	Loss allowance provision
Not overdue	\$ 8,302,404	-	-
Pass due less than one year	105,338	-	-
Pass due over one year	57,103	-	-
	\$ 8,464,845		-

The notes and accounts receivable were not pledged as collateral.

(f) Other receivables

	September 30, 2024	December 31, 2023	September 30, 2023
Other receivables — lending of capital (including other non-current assets)	\$ 883,747	678,034	751,595
Other receivables — lawsuit	394,893	150,630	150,630
Other receivables — related parties	3,882	2,895	2,782
Other (including other non-current assets)	132,418	198,137	14,985
Less: Allowance for bad debts	-	-	-
	\$ 1,414,940	1,029,696	919,992

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

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CONTINENTAL HOLDINGS CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(g) Inventories

	<u>September 30,</u> <u>2024</u>	<u>December 31,</u> <u>2023</u>	<u>September 30,</u> <u>2023</u>
Hotel:			
Catering	\$ <u>6,657</u>	<u>6,032</u>	<u>6,419</u>
Real estate:			
Real estate held for sale	10,222,851	11,070,517	12,202,010
Land held for development	2,696,320	5,682,236	6,340,278
Building construction in progress	18,344,552	8,626,658	6,443,185
Prepayment for land	<u>574,046</u>	<u>47,254</u>	<u>99,909</u>
Subtotal	31,837,769	25,426,665	25,085,382
Less: Allowance for impairment loss	<u>(543,674)</u>	<u>(228,056)</u>	<u>(95,582)</u>
	<u>\$ 31,300,752</u>	<u>25,204,641</u>	<u>24,996,219</u>

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

	<u>For the three months ended</u> <u>September 30</u>		<u>For the nine months ended</u> <u>September 30</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Inventory that has been sold	\$ 533,722	993,147	2,313,615	3,580,257
Write-down of inventories	-	-	309,550	-
Effect in exchange rates	<u>1,313</u>	<u>-</u>	<u>5,776</u>	<u>-</u>
Total	<u>\$ 535,035</u>	<u>993,147</u>	<u>2,628,941</u>	<u>3,580,257</u>

- (ii) Capitalizing interest costs were as follows:

	<u>For the three months ended</u> <u>September 30</u>		<u>For the nine months ended</u> <u>September 30</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Interest costs	<u>\$ 238,191</u>	<u>223,755</u>	<u>685,819</u>	<u>684,974</u>
Capitalized interests	<u>\$ 51,238</u>	<u>24,363</u>	<u>130,781</u>	<u>66,012</u>
Capitalization interest rate	<u>2.3945%~6.48%</u>	<u>2.1458%~6.36%</u>	<u>2.2692%~6.59%</u>	<u>2.058%~6.36%</u>

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

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CONTINENTAL HOLDINGS CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(h) Investments accounted for using equity method

	September 30, 2024	December 31, 2023	September 30, 2023
Associates	<u>\$ 1,577,265</u>	<u>1,598,373</u>	<u>1,595,504</u>

(i) Associates

The Group's significant associates were as follows:

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

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

1) Summary of CTCI - HDEC's financial figures

	September 30, 2024	December 31, 2023	September 30, 2023	
Current assets	\$ 585,198	381,226	333,175	
Non-current assets	3,291,480	2,659,077	2,549,589	
Current liabilities	(695,834)	(521,351)	(697,302)	
Non-current liabilities	<u>(1,435,423)</u>	<u>(842,281)</u>	<u>(534,339)</u>	
Net assets	<u>\$ 1,745,421</u>	<u>1,676,671</u>	<u>1,651,123</u>	
	For the three months ended September 30		For the nine months ended September 30	
	2024	2023	2024	2023
Revenues	<u>\$ 223,542</u>	<u>62,446</u>	<u>615,419</u>	<u>935,042</u>
Net income / Total comprehensive income	<u>\$ 9,684</u>	<u>18,346</u>	<u>68,180</u>	<u>91,596</u>

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CONTINENTAL HOLDINGS CORPORATION AND SUBSIDIARIES
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	For the three months ended		For the nine months ended	
	September 30		September 30	
	2024	2023	2024	2023
Net assets attributable to the Group, beginning balance	\$ 850,512	800,061	821,569	791,319
Additions	-	-	51,940	-
Dividend	-	-	(51,660)	(27,151)
Total comprehensive income attributable to the Group	4,745	8,989	33,408	44,882
Net assets attributable to the Group, ending balance	<u>\$ 855,257</u>	<u>809,050</u>	<u>855,257</u>	<u>809,050</u>

2) Summary of Fanlu's financial figures

	September 30,	December 31,	September 30,
	2024	2023	2023
Current assets	\$ 8,665,205	6,958,558	6,612,200
Non-current assets	142,741	21,404	2,772
Current liabilities	(6,745,012)	(650,469)	(633,910)
Non-current liabilities	-	(4,110,000)	(3,734,000)
Net assets	<u>\$ 2,062,934</u>	<u>2,219,493</u>	<u>2,247,062</u>

	For the three months ended		For the nine months ended	
	September 30		September 30	
	2024	2023	2024	2023
Revenues	\$ -	-	-	-
Net loss/ Total comprehensive income	<u>\$ (78,642)</u>	<u>(14,825)</u>	<u>(156,560)</u>	<u>(46,759)</u>

	For the three months ended		For the nine months ended	
	September 30		September 30	
	2024	2023	2024	2023
Net assets attributable to the Group, beginning balance	\$ 749,532	791,642	776,804	802,819
Total Comprehensive income attributable to the Group	(27,524)	(5,188)	(54,796)	(16,365)
Net assets attributable to the Group, ending balance	<u>\$ 722,008</u>	<u>786,454</u>	<u>722,008</u>	<u>786,454</u>

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CONTINENTAL HOLDINGS CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

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

(i) Acquisition of non-controlling interests

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

The effects of the changes in shareholdings were as follows:

	Amount
Carrying amount of non-controlling interest on acquisition	\$ 37,980
Consideration paid to non-controlling interests	(32,000)
	\$ 5,980
Capital surplus - difference between consideration and carrying amount of subsidiaries acquired or disposed	\$ 1,971
Capital surplus - changes in ownership interests in subsidiaries	4,009
	\$ 5,980

(j) Material non-controlling interest of subsidiaries

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

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

(Continued)

CONTINENTAL HOLDINGS CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Summary of CDC US Corp. and subsidiaries' financial figures

	September 30, 2024	December 31, 2023	September 30, 2023
Current assets	\$ 4,356,452	4,821,103	5,250,918
Non-current assets	5,149,438	5,109,888	5,400,334
Current liabilities	(4,709,976)	(4,303,390)	(4,343,860)
Non-current liabilities	(126,768)	(122,981)	(135,833)
Net assets	<u>\$ 4,669,146</u>	<u>5,504,620</u>	<u>6,171,559</u>
Non-controlling interest	<u>\$ 1,687,502</u>	<u>2,117,730</u>	<u>2,440,102</u>

	For the three months ended September 30		For the nine months ended September 30	
	2024	2023	2024	2023
Revenues	<u>\$ 198,261</u>	<u>124,162</u>	<u>646,667</u>	<u>394,078</u>
Net loss	\$ (313,760)	(174,517)	(1,029,910)	(539,029)
Other comprehensive income	-	-	-	-
Total comprehensive income	<u>\$ (313,760)</u>	<u>(174,517)</u>	<u>(1,029,910)</u>	<u>(539,029)</u>
Net loss attributable to non-controlling interest	<u>\$ (141,196)</u>	<u>(79,838)</u>	<u>(463,319)</u>	<u>(246,021)</u>
Total comprehensive income attributable to non-controlling interest	<u>\$ (141,196)</u>	<u>(79,838)</u>	<u>(463,319)</u>	<u>(246,021)</u>

(k) Property, plant and equipment

	Land	Buildings	Machinery	Transportation equipment	Computer equipment	Office equipment	Operating equipment	Total
Cost or deemed cost:								
Balance at January 1, 2024	\$ 2,342,257	6,878,889	1,361,207	200,455	98,792	181,660	141,827	11,205,087
Additions	-	504	186,914	16,377	9,132	47,975	4,172	265,074
Reclassification	365,248	47,843	65,002	-	5,120	1,763	-	484,976
Disposals	-	-	(240,152)	(9,653)	-	(1,077)	(45)	(250,927)
Effect of exchange rate changes	60,596	372,535	1,207	101	285	1,376	10,889	446,989
Balance at September 30, 2024	<u>\$ 2,768,101</u>	<u>7,299,771</u>	<u>1,374,178</u>	<u>207,280</u>	<u>113,329</u>	<u>231,697</u>	<u>156,843</u>	<u>12,151,199</u>
Balance at January 1, 2023	\$ 2,357,519	6,911,877	1,017,257	165,618	86,263	175,608	133,952	10,848,094
Additions	-	16,194	134,345	16,427	5,204	2,346	2,504	177,020
Disposals	-	-	(2,558)	(5,602)	(306)	(1,091)	-	(9,557)
Effect of exchange rate changes	11,992	205,024	2,807	163	207	1,912	2,925	225,030
Balance at September 30, 2023	<u>\$ 2,369,511</u>	<u>7,133,095</u>	<u>1,151,851</u>	<u>176,606</u>	<u>91,368</u>	<u>178,775</u>	<u>139,381</u>	<u>11,240,587</u>

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CONTINENTAL HOLDINGS CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	<u>Land</u>	<u>Buildings</u>	<u>Machinery</u>	<u>Transportation equipment</u>	<u>Computer equipment</u>	<u>Office equipment</u>	<u>Operating equipment</u>	<u>Total</u>
Depreciation and impairment loss:								
Balance at January 1, 2024	\$ -	486,207	821,700	126,549	65,409	130,441	44,547	1,674,853
Depreciation	-	130,442	163,981	15,264	9,039	13,905	20,008	352,639
Reclassification	-	23,051	-	-	-	-	-	23,051
Disposals	-	-	(240,152)	(7,382)	-	(1,071)	(10)	(248,615)
Effect of exchange rate changes	-	15,148	169	98	207	353	4,656	20,631
Balance at September 30, 2024	<u>\$ -</u>	<u>654,848</u>	<u>745,698</u>	<u>134,529</u>	<u>74,655</u>	<u>143,628</u>	<u>69,201</u>	<u>1,822,559</u>
Balance at January 1, 2023	\$ -	321,899	666,023	119,559	57,177	116,570	15,562	1,296,790
Depreciation	-	124,667	117,860	10,469	6,266	11,433	22,054	292,749
Disposals	-	-	(2,559)	(5,580)	(303)	(1,020)	-	(9,462)
Effect of exchange rate changes	-	4,797	260	157	202	479	477	6,372
Balance at September 30, 2023	<u>\$ -</u>	<u>451,363</u>	<u>781,584</u>	<u>124,605</u>	<u>63,342</u>	<u>127,462</u>	<u>38,093</u>	<u>1,586,449</u>
Carrying amounts:								
Balance, at January 1, 2024	<u>\$ 2,342,257</u>	<u>6,392,682</u>	<u>539,507</u>	<u>73,906</u>	<u>33,383</u>	<u>51,219</u>	<u>97,280</u>	<u>9,530,234</u>
Balance at September 30, 2024	<u>\$ 2,768,101</u>	<u>6,644,923</u>	<u>628,480</u>	<u>72,751</u>	<u>38,674</u>	<u>88,069</u>	<u>87,642</u>	<u>10,328,640</u>
Balance at September 30, 2023	<u>\$ 2,369,511</u>	<u>6,681,732</u>	<u>370,267</u>	<u>52,001</u>	<u>28,026</u>	<u>51,313</u>	<u>101,288</u>	<u>9,654,138</u>

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

(l) Right-of-use assets

	<u>Land</u>	<u>Buildings</u>	<u>Transportation equipment</u>	<u>Total</u>
Cost:				
Balance at January 1, 2024	\$ 66,620	171,365	6,463	244,448
Additions	9,432	42,838	-	52,270
Disposals	(633)	(26,362)	(1,341)	(28,336)
Effect of exchange rate changes	-	791	-	791
Balance at September 30, 2024	<u>\$ 75,419</u>	<u>188,632</u>	<u>5,122</u>	<u>269,173</u>
Balance at January 1, 2023	\$ 88,015	207,287	6,535	301,837
Additions	14,545	27,740	4,335	46,620
Disposals	(29,616)	(73,405)	(1,514)	(104,535)
Effect of exchange rate changes	-	412	-	412
Balance at September 30, 2023	<u>\$ 72,944</u>	<u>162,034</u>	<u>9,356</u>	<u>244,334</u>

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CONTINENTAL HOLDINGS CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	<u>Land</u>	<u>Buildings</u>	<u>Transportation equipment</u>	<u>Total</u>
Depreciation and impairment losses:				
Balance at January 1, 2024	\$ 33,920	71,617	2,430	107,967
Depreciation	15,358	40,842	1,560	57,760
Disposals	(589)	(25,989)	(1,341)	(27,919)
Effect of exchange rate changes	-	463	-	463
Balance at September 30, 2024	<u>\$ 48,689</u>	<u>86,933</u>	<u>2,649</u>	<u>138,271</u>
Balance at January 1, 2023	\$ 48,681	101,293	4,968	154,942
Depreciation	17,464	34,397	1,318	53,179
Disposals	(29,616)	(71,784)	(1,514)	(102,914)
Effect of exchange rate changes	-	159	-	159
Balance at September 30, 2023	<u>\$ 36,529</u>	<u>64,065</u>	<u>4,772</u>	<u>105,366</u>
Carrying amounts:				
Balance at January 1, 2024	<u>\$ 32,700</u>	<u>99,748</u>	<u>4,033</u>	<u>136,481</u>
Balance at September 30, 2024	<u>\$ 26,730</u>	<u>101,699</u>	<u>2,473</u>	<u>130,902</u>
Balance at September 30, 2023	<u>\$ 36,415</u>	<u>97,969</u>	<u>4,584</u>	<u>138,968</u>

(m) Investment properties

	<u>Owned</u>		
	<u>Land and improvements</u>	<u>Buildings</u>	<u>Total</u>
Cost or deemed cost:			
Balance at January 1, 2024	\$ 7,963,125	698,510	8,661,635
Reclassification	(5,094,303)	(61,601)	(5,155,904)
Disposals	(4,826)	(1,288)	(6,114)
Balance at September 30, 2024	<u>\$ 2,863,996</u>	<u>635,621</u>	<u>3,499,617</u>
Balance at January 1, 2023	\$ 7,963,125	1,607,322	9,570,447
Balance at September 30, 2023	<u>\$ 7,963,125</u>	<u>1,607,322</u>	<u>9,570,447</u>
Depreciation and impairment losses :			
Balance at January 1, 2024	\$ 349,356	297,046	646,402
Depreciation	-	9,209	9,209
Reclassification	-	(23,051)	(23,051)
Disposal	-	(798)	(798)
Balance at September 30, 2024	<u>\$ 349,356</u>	<u>282,406</u>	<u>631,762</u>
Balance at January 1, 2023	\$ 349,356	1,190,062	1,539,418
Depreciation	-	12,434	12,434
Balance at September 30, 2023	<u>\$ 349,356</u>	<u>1,202,496</u>	<u>1,551,852</u>

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CONTINENTAL HOLDINGS CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	Owned		
	Land and improvements	Buildings	Total
Carrying amounts:			
Balance at January 1, 2024	\$ <u>7,613,769</u>	<u>401,464</u>	<u>8,015,233</u>
Balance at September 30, 2024	\$ <u>2,514,640</u>	<u>353,215</u>	<u>2,867,855</u>
Balance at September 30, 2023	\$ <u>7,613,769</u>	<u>404,826</u>	<u>8,018,595</u>
Fair value:			
Balance at September 30, 2024			\$ <u>4,759,317</u>
Balance at December 31, 2023			\$ <u>12,068,055</u>
Balance at September 30, 2023			\$ <u>11,982,620</u>

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

(n) Intangible assets

	Service Concession			Total
	Goodwill	Agreements	Other	
Cost:				
Balance at January 1, 2024	\$ 30,249	2,265,842	4,742	2,300,833
Additions	-	2,179,963	-	2,179,963
Effect of exchange rate changes	-	-	145	145
Balance at September 30, 2024	\$ <u>30,249</u>	<u>4,445,805</u>	<u>4,887</u>	<u>4,480,941</u>
Balance at January 1, 2023	\$ 30,249	1,501,121	4,662	1,536,032
Additions	-	375,121	55	375,176
Effect of exchange rate changes	-	-	239	239
Balance at September 30, 2023	\$ <u>30,249</u>	<u>1,876,242</u>	<u>4,956</u>	<u>1,911,447</u>
Amortization and impairment loss:				
Balance at January 1, 2024	\$ -	499,715	-	499,715
Amortization	-	54,455	-	54,455
Balance at September 30, 2024	\$ <u>-</u>	<u>554,170</u>	<u>-</u>	<u>554,170</u>

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CONTINENTAL HOLDINGS CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	<u>Goodwill</u>	<u>Service Concession Agreements</u>	<u>Other</u>	<u>Total</u>
Balance at January 1, 2023	\$ -	430,966	-	430,966
Amortization	-	51,562	-	51,562
Balance at September 30, 2023	<u>\$ -</u>	<u>482,528</u>	<u>-</u>	<u>482,528</u>
Carrying amounts:				
Balance at January 1, 2024	<u>\$ 30,249</u>	<u>1,766,127</u>	<u>4,742</u>	<u>1,801,118</u>
Balance at September 30, 2024	<u>\$ 30,249</u>	<u>3,891,635</u>	<u>4,887</u>	<u>3,926,771</u>
Balance at September 30, 2023	<u>\$ 30,249</u>	<u>1,393,714</u>	<u>4,956</u>	<u>1,428,919</u>

- (i) Amortization expenses of intangible assets are recorded under operating costs.
- (ii) The intangible assets were not pledged as collateral.

(o) Short-term borrowings

	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
Unsecured loans	\$ 7,789,899	5,732,996	7,382,330
Secured loans	11,866,143	10,132,695	8,063,755
	<u>\$ 19,656,042</u>	<u>15,865,691</u>	<u>15,446,085</u>
Unused credit limit	<u>\$ 38,493,970</u>	<u>21,104,686</u>	<u>19,145,356</u>
Range of interest rate	<u>1.8643%~8.4%</u>	<u>1.78%~8.5%</u>	<u>1.78%~8.5%</u>

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

(p) Short-term notes and bills payable

	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
Bills payable	<u>\$ 900,000</u>	<u>800,000</u>	<u>525,000</u>

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

(q) Bonds payable

	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
Secured ordinary bonds issued	\$ 2,000,000	2,000,000	2,000,000
Unamortized discount on bonds payable	(903)	(1,445)	(1,625)
	<u>\$ 1,999,097</u>	<u>1,998,555</u>	<u>1,998,375</u>

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CONTINENTAL HOLDINGS CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

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

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

(r) Long-term borrowings

	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
Unsecured loans	\$ 4,442,000	4,029,000	4,095,000
Secured loans	6,241,352	7,440,690	7,467,857
Less: current portion	(611,578)	(1,269,382)	(1,396,333)
Less: sponsorship fee for the joint loan bank and Quota Establishment Fee	(9,302)	(9,762)	-
Total	<u>\$ 10,062,472</u>	<u>10,190,546</u>	<u>10,166,524</u>
Unused credit limit	<u>\$ 15,761,896</u>	<u>20,896,537</u>	<u>16,834,930</u>
Range of interest rate	<u>2.13%~7.76047%</u>	<u>1.878%~7.76047%</u>	<u>1.878%~7.76047%</u>

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

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

(s) Lease liabilities

	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
Current	<u>\$ 94,791</u>	<u>88,554</u>	<u>87,204</u>
Non-current	<u>\$ 38,293</u>	<u>49,870</u>	<u>53,232</u>

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

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CONTINENTAL HOLDINGS CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

The amounts recognized in profit or loss were as follows:

	For the three months ended September 30		For the nine months ended September 30	
	2024	2023	2024	2023
Interest on lease liabilities	\$ <u>752</u>	<u>668</u>	<u>2,239</u>	<u>2,095</u>
Variable lease payments not included in the measurement of lease liabilities	\$ <u>2,325</u>	<u>2,258</u>	<u>8,115</u>	<u>7,269</u>
Expenses relating to short-term leases	\$ <u>5,235</u>	<u>11,493</u>	<u>21,896</u>	<u>28,089</u>
Expenses relating to leases of low-value, excluding short-term leases of low-value assets	\$ <u>2,833</u>	<u>3,012</u>	<u>7,170</u>	<u>7,900</u>

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

	For the nine months ended September 30	
	2024	2023
Total cash outflow for leases	\$ <u>96,129</u>	<u>98,759</u>

(i) Real estate leases

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

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

(ii) Other leases

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

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

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CONTINENTAL HOLDINGS CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(t) Provision

	September 30, 2024	December 31, 2023	September 30, 2023
Warranties	\$ 112,220	178,824	306,289
After-sales service	70,001	67,548	68,805
Onerous contract	45,055	60,807	65,516
	<u>\$ 227,276</u>	<u>307,179</u>	<u>440,610</u>

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

(u) Operating leases

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

(v) Long-term accounts payable

The Group established subsidiaries in the United States in 2017.

Due to the agreements entered into by the Group with its prior shareholders, the Group will have to pay after the completion of the construction projects of its subsidiaries. Unpaid amount to September 30, 2024, December 31 and September 30, 2023, are \$126,768 thousand, \$122,981 thousand and 135,833 thousand, respectively.

(w) Employee benefits

(i) Defined benefit plans

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

Expenses recognized in profit or loss :

	For the three months ended September 30		For the nine months ended September 30	
	2024	2023	2024	2023
Operating costs	\$ 248	282	763	883
Operating expenses	732	731	2,177	2,157
	<u>\$ 980</u>	<u>1,013</u>	<u>2,940</u>	<u>3,040</u>

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CONTINENTAL HOLDINGS CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(ii) Defined contribution plans

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

	For the three months ended September 30		For the nine months ended September 30	
	2024	2023	2024	2023
Operating costs	\$ 13,958	12,858	41,345	37,073
Operating expenses	8,613	7,458	24,911	21,769
	\$ 22,571	20,316	66,256	58,842

(x) Income Tax

(i) Income tax expenses

	For the three months ended September 30		For the nine months ended September 30	
	2024	2023	2024	2023
Current income tax expenses				
Current period	\$ 117,638	103,274	321,705	250,689
Land value increment tax	1,528	4,091	18,857	16,471
Surtax on unappropriated earnings	-	-	14,629	29,022
Adjustment for prior periods	-	-	(50,007)	(26,412)
	\$ 119,166	107,365	305,184	269,770

(ii) Status of approval of income tax

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

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

(y) Capital and other equity

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

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CONTINENTAL HOLDINGS CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(i) Capital surplus

	September 30, 2024	December 31, 2023	September 30, 2023
Additional paid-in capital	\$ 6,397,913	6,397,913	6,397,913
Treasury share transactions	406,518	406,518	406,518
Difference between consideration and carrying amount of subsidiaries acquired or disposed	1,971	-	-
Change in ownership interests in subsidiaries	16,776	12,767	12,767
	<u>\$ 6,823,178</u>	<u>6,817,198</u>	<u>6,817,198</u>

(ii) Retained earnings

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

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

1) Legal Reserve

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

2) Special Reserve

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

(Continued)

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

3) Earnings distribution

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

	2023		2022	
	Amount per share (NT dollars)	Total Amount	Amount per share (NT dollars)	Total Amount
Dividends distributed to common shareholders:				
Cash	\$ 1.50	1,234,824	2.50	2,058,040

(iii) Other equity

	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	Gains (losses) on hedging instruments	Total
Balance at January 1, 2024	\$ (673,352)	2,527,444	(20,543)	1,833,549
Exchange differences on foreign operations	120,093	-	-	120,093
Disposal of subsidiaries	(80,948)	-	-	(80,948)
Unrealized gains from financial assets measured at fair value through other comprehensive income	-	371,865	-	371,865
Change in fair value of hedging instrument	-	-	21,410	21,410
Balance at September 30, 2024	\$ (634,207)	2,899,309	867	2,265,969
Balance at January 1, 2023	\$ (695,150)	1,140,119	(1,549)	443,420
Exchange differences on foreign operations	242,742	-	-	242,742
Unrealized gains from financial assets measured at fair value through other comprehensive income	-	497,530	-	497,530
Change in fair value of hedging instrument	-	-	(21,027)	(21,027)
Balance at September 30, 2023	\$ (452,408)	1,637,649	(22,576)	1,162,665

(Continued)

CONTINENTAL HOLDINGS CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(z) Earnings per share

	For the three months ended September 30		For the nine months ended September 30	
	2024	2023	2024	2023
Basic earnings per share				
Net income attributable to ordinary shareholders	\$ <u>561,893</u>	<u>474,102</u>	<u>1,312,044</u>	<u>1,264,109</u>
Weighted average number of ordinary shares (Basic)	<u>823,216</u>	<u>823,216</u>	<u>823,216</u>	<u>823,216</u>
Basic earnings per share (NT dollars)	\$ <u>0.68</u>	<u>0.58</u>	<u>1.59</u>	<u>1.54</u>
Diluted earnings per share				
Net income attributable to ordinary shareholders (after adjusting the effects of all dilutive potential ordinary shares)	\$ <u>561,893</u>	<u>474,102</u>	<u>1,312,044</u>	<u>1,264,109</u>
Weighted average number of ordinary shares (Basic)	823,216	823,216	823,216	823,216
Effect of dilutive potential ordinary shares				
Effect of the employee share bonus	<u>242</u>	<u>272</u>	<u>329</u>	<u>388</u>
Weighted average number of ordinary shares (after adjusting the effects of all dilutive potential ordinary shares)	<u>823,458</u>	<u>823,488</u>	<u>823,545</u>	<u>823,604</u>
Diluted earnings per share (NT dollars)	\$ <u>0.68</u>	<u>0.58</u>	<u>1.59</u>	<u>1.53</u>

(aa) Revenue from contracts with customers

(i) Disaggregation of revenue

	For the three months ended September 30, 2024			
	Construction Engineering	Real Estate Development	Environmental Project Development & Water Treatment	Total
Primary geographical markets:				
Taiwan	\$ 4,578,168	865,523	2,461,162	7,904,853
Other	<u>9,950</u>	<u>275,178</u>	<u>-</u>	<u>285,128</u>
	<u>\$ 4,588,118</u>	<u>1,140,701</u>	<u>2,461,162</u>	<u>8,189,981</u>

(Continued)

CONTINENTAL HOLDINGS CORPORATION AND SUBSIDIARIES
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For the three months ended September 30, 2024				
	Construction Engineering	Real Estate Development	Environmental Project Development & Water Treatment	Total
Main products:				
Construction engineering	\$ 4,541,020	-	-	4,541,020
Environmental project development & water treatment	-	-	2,460,995	2,460,995
Real estate revenue	-	874,217	-	874,217
Rental revenue	4,914	41,423	167	46,504
Other	42,184	225,061	-	267,245
	<u>\$ 4,588,118</u>	<u>1,140,701</u>	<u>2,461,162</u>	<u>8,189,981</u>
For the three months ended September 30, 2023				
	Construction Engineering	Real Estate Development	Environmental Project Development & Water Treatment	Total
Primary geographical markets:				
Taiwan	\$ 4,502,721	1,620,968	1,448,088	7,571,777
Other	37,255	184,879	-	222,134
	<u>\$ 4,539,976</u>	<u>1,805,847</u>	<u>1,448,088</u>	<u>7,793,911</u>
Main products:				
Construction engineering	\$ 4,523,095	-	-	4,523,095
Environmental project development & water treatment	-	-	1,448,088	1,448,088
Real estate revenue	-	1,555,005	-	1,555,005
Rental revenue	8,059	42,200	-	50,259
Other	8,822	208,642	-	217,464
	<u>\$ 4,539,976</u>	<u>1,805,847</u>	<u>1,448,088</u>	<u>7,793,911</u>

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CONTINENTAL HOLDINGS CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

For the nine months ended September 30, 2024				
	Construction Engineering	Real Estate Development	Environmental Project Development & Water Treatment	Total
Primary geographical markets:				
Taiwan	\$ 13,175,676	3,509,682	5,460,793	22,146,151
Other	39,492	849,299	-	888,791
	<u>\$ 13,215,168</u>	<u>4,358,981</u>	<u>5,460,793</u>	<u>23,034,942</u>
Main products:				
Construction engineering	\$ 13,140,611	-	-	13,140,611
Environmental project development & water treatment	-	-	5,460,626	5,460,626
Real estate revenue	-	3,603,725	-	3,603,725
Rental revenue	15,380	104,391	167	119,938
Other	59,177	650,865	-	710,042
	<u>\$ 13,215,168</u>	<u>4,358,981</u>	<u>5,460,793</u>	<u>23,034,942</u>
For the nine months ended September 30, 2023				
	Construction Engineering	Real Estate Development	Environmental Project Development & Water Treatment	Total
Primary geographical markets:				
Taiwan	\$ 13,300,159	5,085,852	3,343,052	21,729,063
Other	281,927	552,308	-	834,235
	<u>\$ 13,582,086</u>	<u>5,638,160</u>	<u>3,343,052</u>	<u>22,563,298</u>
Main products:				
Construction engineering	\$ 13,421,617	-	-	13,421,617
Environmental project development & water treatment	-	-	3,343,052	3,343,052
Real estate revenue	-	4,968,639	-	4,968,639
Rental revenue	22,746	99,242	-	121,988
Other	137,723	570,279	-	708,002
	<u>\$ 13,582,086</u>	<u>5,638,160</u>	<u>3,343,052</u>	<u>22,563,298</u>

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CONTINENTAL HOLDINGS CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(ii) Contract balances

	September 30, 2024	December 31, 2023	September 30, 2023
Notes receivable	\$ 30	684	11,927
Accounts receivable (including long-term accounts receivable)	9,516,761	8,854,396	8,452,918
Less: Allowance for impairment	-	-	-
Total	<u>\$ 9,516,791</u>	<u>8,855,080</u>	<u>8,464,845</u>
Contract assets-construction engineering	\$ 982,193	1,048,756	1,627,625
Contract assets-retention receivables	4,342,267	4,192,736	3,869,357
Total	<u>\$ 5,324,460</u>	<u>5,241,492</u>	<u>5,496,982</u>
Contract liabilities-construction engineering	\$ 4,980,630	5,072,341	4,494,322
Contract liabilities-advance real estate receipts	5,003,337	2,578,879	2,582,154
Contract liabilities-advance rent receipts	12,928	12,009	13,640
Total	<u>\$ 9,996,895</u>	<u>7,663,229</u>	<u>7,090,116</u>

- 1) Please refer to Note 6(e) for the accounts receivable and allowance for impairment.
- 2) Please refer to Note 6(t) for the onerous contracts.
- 3) The amounts of revenue recognized for the nine months ended September 30, 2024 and 2023 that were included in the contract liability balance at the beginning of the year were \$108,752 thousand, \$323,499 thousand, \$451,458 thousand and \$891,039 thousand, respectively.
- 4) Please refer to Note 9 for the amounts of the above contracts.

(ab) Remuneration for employees and directors

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

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CONTINENTAL HOLDINGS CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

For the three months and nine months ended September 30, 2024 and 2023, the Company estimated its employee remuneration to be \$3,179 thousand, \$2,792 thousand, \$7,446 thousand and \$7,278 thousand and its director's remuneration to be \$0. The estimated amounts mentioned above are calculated based on income before tax, excluding the remuneration to employees and directors of each period, multiplied it by the percentage of remuneration to employees and directors as specified in the Company's articles. These remunerations were expensed under operating expenses in the respective periods. If the distribution in the following year is different from the estimate, the difference will be regarded as changes in accounting estimates and will be reflected in profit or loss in the following year.

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

(ac) Non-operating income and expenses

(i) Interest income

	For the three months ended September 30		For the nine months ended September 30	
	2024	2023	2024	2023
Interest income from bank deposits	\$ 15,278	14,206	53,184	55,646
Other interest income	8,627	9,165	20,471	16,546
	<u>\$ 23,905</u>	<u>23,371</u>	<u>73,655</u>	<u>72,192</u>

(ii) Other income

	For the three months ended September 30		For the nine months ended September 30	
	2024	2023	2024	2023
Dividend income	\$ 166,699	128,397	215,958	177,422
Income from counter-party default	19	-	38	8,647
Gain on overdue payables written off	-	-	82	-
Other income-other	9,415	9,874	30,625	48,466
	<u>\$ 176,133</u>	<u>138,271</u>	<u>246,703</u>	<u>234,535</u>

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CONTINENTAL HOLDINGS CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(iii) Other gains and losses

	For the three months ended September 30		For the nine months ended September 30	
	2024	2023	2024	2023
Net (losses) gains on disposals of property, plant and equipment	\$ (488)	126	(190)	126
Net gains on disposals of investment properties	-	-	57,534	-
Gains on disposals of investments	80,948	-	80,948	-
Net foreign exchange gains (losses)	209,316	28,780	232,714	(58,845)
Other	(71,910)	(113)	(73,560)	(9,230)
	<u>\$ 217,866</u>	<u>28,793</u>	<u>297,446</u>	<u>(67,949)</u>

(iv) Financial costs

	For the three months ended September 30		For the nine months ended September 30	
	2024	2023	2024	2023
Interest expenses-borrowings	\$ 231,341	216,989	665,286	664,585
Interest expenses-bonds payables (including amortization expenses)	6,098	6,098	18,294	18,294
Interest expenses-lease liabilities	752	668	2,239	2,095
Less: capitalized interest and other	(54,303)	(24,363)	(137,449)	(66,012)
	<u>\$ 183,888</u>	<u>199,392</u>	<u>548,370</u>	<u>618,962</u>

(ad) Financial instruments

(i) Credit risk

1) Credit risk exposure

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

- The book value of financial assets and contract assets recognized on the balance sheet; and

(Continued)

CONTINENTAL HOLDINGS CORPORATION AND SUBSIDIARIES
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- The financial guarantee provided by the Group amounted to \$5,175,675 thousand, \$3,764,675 thousand and \$3,617,675 thousand, respectively.

2) Credit risk concentrations

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

3) Receivables of credit risk

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

Other financial assets at amortized cost includes other receivables.

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

(ii) Liquidity risk

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

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

	<u>Carrying amount</u>	<u>Contractual cash flows</u>	<u>Within 1 year</u>	<u>1-5 years</u>	<u>More than 5 years</u>
September 30, 2024					
Non-derivative financial liabilities					
Secured loans	\$ 18,099,165	20,938,595	3,449,177	14,221,176	3,268,242
Unsecured loans	12,230,927	12,982,720	5,726,804	7,255,916	-
Short-term notes and bills payable	900,000	900,000	900,000	-	-
Bonds payable	1,999,097	2,022,000	11,000	2,011,000	-
Accounts and notes payable	6,707,353	6,707,353	3,410,061	3,130,358	166,934
Other payables	1,987,206	1,987,206	750,073	1,237,133	-
Guarantee deposit received	84,084	84,084	36	75,956	8,092
Long-term accounts payable	126,768	126,768	-	126,768	-
Lease liabilities	133,084	136,892	70,773	65,950	169
	<u>\$ 42,267,684</u>	<u>45,885,618</u>	<u>14,317,924</u>	<u>28,124,257</u>	<u>3,443,437</u>

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CONTINENTAL HOLDINGS CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	<u>Carrying amount</u>	<u>Contractual cash flows</u>	<u>Within 1 year</u>	<u>1-5 years</u>	<u>More than 5 years</u>
December 31, 2023					
Non-derivative financial liabilities					
Secured loans	\$ 17,564,594	20,289,372	3,534,154	13,919,581	2,835,637
Unsecured loans	9,761,025	10,439,815	5,077,628	4,426,479	935,708
Short-term notes and bills payable	800,000	800,000	800,000	-	-
Bonds payable	1,998,555	2,033,000	11,000	2,022,000	-
Accounts and notes payable	6,578,347	6,578,347	3,635,156	2,699,663	243,528
Other payables	1,902,960	1,902,960	817,539	1,085,420	1
Guarantee deposit received	70,681	70,681	430	13,523	56,728
Long-term accounts payable	122,981	122,981	-	122,981	-
Lease liabilities	138,424	142,324	63,246	78,122	956
	<u>\$ 38,937,567</u>	<u>42,379,480</u>	<u>13,939,153</u>	<u>24,367,769</u>	<u>4,072,558</u>
September 30, 2023					
Non-derivative financial liabilities					
Secured loans	\$ 15,531,612	18,332,780	2,854,734	11,690,513	3,787,533
Unsecured loans	11,477,330	12,173,873	6,999,072	4,547,310	627,491
Short-term notes and bills payable	525,000	525,008	525,008	-	-
Bonds payable	1,998,375	2,033,000	11,000	2,022,000	-
Accounts and notes payable	5,938,137	5,938,137	3,139,282	2,544,567	254,288
Other payables	1,741,312	1,741,312	657,425	1,083,887	-
Guarantee deposit received	83,220	83,220	553	15,291	67,376
Long-term accounts payable	135,833	135,833	-	135,833	-
Lease liabilities	140,436	143,819	59,190	84,629	-
	<u>\$ 37,571,255</u>	<u>41,106,982</u>	<u>14,246,264</u>	<u>22,124,030</u>	<u>4,736,688</u>

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

(iii) Currency risk

1) Exposure to currency risk

	<u>September 30, 2024</u>			<u>December 31, 2023</u>			<u>September 30, 2023</u>		
	<u>Foreign currency</u>	<u>Exchange rate</u>	<u>NTD</u>	<u>Foreign currency</u>	<u>Exchange rate</u>	<u>NTD</u>	<u>Foreign currency</u>	<u>Exchange rate</u>	<u>NTD</u>
Financial Assets									
<u>Monetary items</u>									
USD : NTD	\$ 16,422	31.6500	519,731	5,940	30.7050	182,377	3,341	32.2700	107,799
HKD : NTD	9,642	4.0750	39,290	19,893	3.9290	78,158	12,181	4.1230	50,223
MYR : NTD	140,964	7.6829	1,083,016	134,968	6.6978	903,989	4	6.8518	25
USD : MYR	336	4.1220	10,637	1,030	4.5900	31,613	3,027	4.6920	97,675
INR : TWD	517,172	0.3777	195,336	-	0.3692	-	1	0.3884	-
Financial Liabilities									
<u>Monetary items</u>									
USD : MYR	21,450	4.1220	678,893	21,450	4.5900	658,622	21,450	4.6920	692,192

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CONTINENTAL HOLDINGS CORPORATION AND SUBSIDIARIES
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2) Sensitivity analysis

The Group's exchange rate risk comes mainly from currency exchange gains and losses on the translation of the foreign cash and cash equivalents, accounts receivable, other receivables, borrowings, accounts payable, other payables, etc. A strengthening (weakening) of 1% of the NTD against foreign currencies for the nine months ended September 30, 2024 and 2023 would have increased or decreased the income before tax by \$9,467 thousand and by \$4,594 thousand, and the equity by \$2,224 thousand and \$229 thousand due to cash flow hedges, respectively. The analysis assumes that all other variables remain constant and is performed on the same basis for prior year.

3) Foreign exchange gains or losses of monetary items

Since the Group has many kinds of functional currency, the information on foreign exchange gain (loss) on monetary items is disclosed by total amount. For the nine months ended September 30, 2024 and 2023, foreign exchange gain (loss) (including realized and unrealized portions) amounted to \$232,715 thousand and (\$58,845) thousand, respectively.

(iv) Interest rate risk

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

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

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

If the interest rate increases or decreases by 1%, the Group's income before tax will decrease or increase by \$187,130 thousand and \$144,052 thousand for the nine months ended September 30, 2024 and 2023, respectively, with all other variable factors remain constant. This is mainly due to the Group's borrowing at variable rates.

(v) Other market price risk

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

	For the nine months ended September 30			
	2024		2023	
	Other comprehensive Income after tax	Net Income	Other comprehensive Income after tax	Net Income
Price of securities at the reporting date				
Increase 1%	\$ <u>37,435</u>	<u>10,689</u>	<u>24,818</u>	<u>10,689</u>
Decrease 1%	\$ <u>(37,435)</u>	<u>(10,689)</u>	<u>(24,818)</u>	<u>(10,689)</u>

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CONTINENTAL HOLDINGS CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	September 30, 2023				
	Carrying amount	Fair Value			Total
		Level 1	Level 2	Level 3	
Financial assets at fair value through profit or loss					
Unlisted common shares	\$ 1,068,858	-	-	1,068,858	1,068,858
Financial assets for hedging	\$ 25,310	25,310	-	-	25,310
Financial assets at fair value through other comprehensive income					
Listed common shares	\$ 1,820,859	1,820,859	-	-	1,820,859
Unlisted common shares	660,980	-	-	660,980	660,980
Subtotal	2,481,839	1,820,859	-	660,980	2,481,839
Total	\$ 3,576,007	1,846,169	-	1,729,838	3,576,007
Financial liabilities for hedging	\$ 22,990	22,990	-	-	22,990

2) Valuation techniques for financial instruments measured at fair value

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

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

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

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

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

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

3) Transfer between Levels

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

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CONTINENTAL HOLDINGS CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

4) The movement of Level 3

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

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

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

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

Item	Valuation Technique	Significant unobservable input	Relationship between input and fair value
Financial assets at fair value through profit or loss-equity investments without an active market	Discounted cash flow method	· Return on equity (September 30, 2024, December 31, 2023 and September 30, 2023 were 11.2466%, 11.2466% and 12.4176%, respectively)	· The higher return of equity, the lower the fair value.
Financial assets at fair value through other comprehensive income-equity investments without an active market	Market Method	· The multiplier of price-to-earnings ratio (September 30, 2024, December 31, 2023 and September 30, 2023 were 17.17, 17.17 and 16.38, respectively) · Market illiquidity discount (September 30, 2024, December 31, 2023 and September 30, 2023 were 75%)	· The higher multiplier of price-to-earnings ratio, the higher the fair value. · The higher market illiquidity discount, the lower the fair value.

(Continued)

CONTINENTAL HOLDINGS CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

<u>Item</u>	<u>Valuation Technique</u>	<u>Significant unobservable input</u>	<u>Relationship between input and fair value</u>
Financial assets at fair value through other comprehensive income-equity investments without an active market	Income Method	<ul style="list-style-type: none"> · The growth rate of earnings-per-share (September 30, 2024, December 31, 2023 and September 30, 2023 were 0%) · Weighted average cost of capital (September 30, 2024, December 31, 2023 and September 30, 2023 were 5%) 	<ul style="list-style-type: none"> · The higher the growth rate of earnings-per-share, the higher the fair value. · The higher weighted average cost of capital, the lower the fair value.

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

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

	<u>Input</u>	<u>Change up or down</u>	<u>Profit or loss</u>		<u>Other comprehensive income</u>	
			<u>Favorable change</u>	<u>Unfavorable change</u>	<u>Favorable change</u>	<u>Unfavorable change</u>
September 30, 2024						
Financial assets at fair value through profit or loss						
Equity instruments without an active market	Return on equity	1%	\$ 2,956	(2,941)	-	-
Financial assets at fair value through other comprehensive income						
Equity instruments without an active market	Market liquidity discount	5%	-	-	46,718	(46,718)
Equity instruments without an active market	Weighted average cost of capital	1%	-	-	164	(155)
December 31, 2023						
Financial assets at fair value through profit or loss						
Equity instruments without an active market	Market liquidity discount	1%	\$ 2,956	(2,941)	-	-
Financial assets at fair value through other comprehensive income						
Equity instruments without an active market	Market liquidity discount	5%	-	-	46,718	(46,718)
Equity instruments without an active market	Weighted average cost of capital	1%	-	-	164	(155)

(Continued)

CONTINENTAL HOLDINGS CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	Input	Change up or down	Profit or loss		Other comprehensive income	
			Favorable change	Unfavorable change	Favorable change	Unfavorable change
September 30, 2023						
Financial assets at fair value through profit or loss						
Equity instruments without an active market	Return on equity	1%	\$ 3,239	(3,221)	-	-
Financial assets at fair value through other comprehensive income						
Equity instruments without an active market	Market liquidity discount	5%	\$ -	-	43,865	(43,865)
Equity instruments without an active market	Weighted average cost of capital	1%	\$ -	-	133	(126)

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

(ae) Financial risk management

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

(af) Capital Management

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

(ag) Non-cash investing and financing activities

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

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CONTINENTAL HOLDINGS CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(iii) Reclassification of assets:

	For the three months ended September 30		For the nine months ended September 30	
	2024	2023	2024	2023
Prepayments for busines facilities reclassified to property, plant and equipment	\$ -	-	59,071	-
Investment properties reclassified to inventories	-	-	4,729,055	-
Investment properties reclassified to property, plant and equipment	603	-	403,798	-
	<u>\$ 603</u>	<u>-</u>	<u>5,191,924</u>	<u>-</u>

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

	January 1, 2024	Cash flows	Non-cash changes			September 30, 2024
			Foreign exchange movement	Other	Changes in lease payments	
Short-term borrowings	\$ 15,865,691	3,689,931	123,629	(23,209)	-	19,656,042
Long-term borrowings (including due within one year)	11,459,928	(815,979)	29,641	460	-	10,674,050
Lease liabilities	138,424	(56,709)	(484)	-	51,853	133,084
Bonds payable	1,998,555	-	-	542	-	1,999,097
	<u>\$ 29,462,598</u>	<u>2,817,243</u>	<u>152,786</u>	<u>(22,207)</u>	<u>51,853</u>	<u>32,462,273</u>

	January 1, 2023	Cash flows	Non-cash changes			September 30, 2023
			Foreign exchange movement	Other	Changes in lease payment	
Short-term borrowings	\$ 14,790,012	437,923	218,150	-	-	15,446,085
Short-term notes and bills payable	436,000	89,000	-	-	-	525,000
Long-term borrowings (including due within one year)	11,469,845	61,381	31,631	-	-	11,562,857
Lease liabilities	148,418	(53,406)	425	-	44,999	140,436
Bonds payable	1,997,832	-	-	543	-	1,998,375
	<u>\$ 28,842,107</u>	<u>534,898</u>	<u>250,206</u>	<u>543</u>	<u>44,999</u>	<u>29,672,753</u>

(Continued)

CONTINENTAL HOLDINGS CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(7) Related-party transactions

(a) Parent Group and Ultimate Controlling Party

Montrion Corporation is the parent company of the Group.

(b) Names and relationship with related parties

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

(c) Other related party transactions

(i) Contracted construction

<u>For the nine months ended September 30, 2024</u>	<u>Total Contract Amount (Before tax)</u>	<u>Current Amount</u>	<u>Accumulated Amount</u>
Associate (CTCI-HDEC)	\$ <u>6,607,731</u>	<u>315,175</u>	<u>1,288,715</u>
Associate (Fanlu)	\$ <u>2,015,271</u>	<u>604,921</u>	<u>1,837,382</u>
<u>For the nine months ended September 30, 2023</u>			
Associate (CTCI-HDEC)	\$ <u>6,607,731</u>	<u>204,853</u>	<u>739,412</u>
Associate (Fanlu)	\$ <u>1,544,284</u>	<u>411,773</u>	<u>1,045,258</u>

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

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CONTINENTAL HOLDINGS CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(ii) Labor services revenue

	For the three months ended September 30		For the nine months ended September 30	
	2024	2023	2024	2023
	Associates	\$ 12,494	-	24,629

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

(iii) Other operating revenues

	For the three months ended September 30		For the nine months ended September 30	
	2024	2023	2024	2023
	Associates	\$ -	-	4,495
Other related parties	2,618	2,640	7,876	7,502
	\$ 2,618	2,640	12,371	14,882

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

(iv) Purchases

	For the three months ended September 30		For the nine months ended September 30	
	2024	2023	2024	2023
	Other related parties	\$ 31	29	102

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

(v) Contract Assets

	September 30, 2024	December 31, 2023	September 30, 2023
Associates	\$ 249,220	210,352	114,207

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CONTINENTAL HOLDINGS CORPORATION AND SUBSIDIARIES
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(vi) Receivables from related parties

	September 30, 2024	December 31, 2023	September 30, 2023
Accounts receivable-Other related parties	\$ 975	1,162	924
Accounts receivable-Associates	19,714	6,141	-
Other receivables-Other related parties	-	80	142
Other receivables-Associates	<u>3,882</u>	<u>2,815</u>	<u>2,640</u>
	<u><u>\$ 24,571</u></u>	<u><u>10,198</u></u>	<u><u>3,706</u></u>

(vii) Payables to related parties

	September 30, 2024	December 31, 2023	September 30, 2023
Other payables-Other related parties	\$ <u>472</u>	<u>756</u>	<u>416</u>

(viii) Rental

1) Rental revenues

	For the three months ended September 30		For the nine months ended September 30	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Other related parties	\$ <u>763</u>	<u>835</u>	<u>2,277</u>	<u>2,474</u>

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

2) Rental costs

The Group leased an office building and a warehouse from other related parties. For the nine months ended September 30, 2024 and 2023, the Group recognized the amount of \$69 thousand, \$88 thousand, \$222 thousand and \$279 thousand as interest expenses, respectively. As of September 30, 2024, December 31 and September 30, 2023, the balance of lease liabilities amounted to \$14,648 thousand, \$17,866 thousand and \$18,930 thousand, respectively.

(ix) Transaction of properties

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

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CONTINENTAL HOLDINGS CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(x) Endorsements and Guarantees

	Guarantee classification	September 30, 2024	December 31, 2023	September 30, 2023
Associate (CTCI-HDEC)	Guarantee for bank loans	\$ 3,089,675	2,207,675	2,060,675
Associate (Fanlu)	Guarantee for bank loans	2,086,000	1,557,000	1,557,000
		<u>\$ 5,175,675</u>	<u>3,764,675</u>	<u>3,617,675</u>

(xi) Other

1) Interest revenues

	For the three months ended September 30		For the nine months ended September 30	
	2024	2023	2024	2023
Associates	<u>\$ 2,626</u>	<u>1,624</u>	<u>3,873</u>	<u>2,222</u>

2) Other expenses

	For the three months ended September 30		For the nine months ended September 30	
	2024	2023	2024	2023
Other related parties	<u>\$ 7,596</u>	<u>7,955</u>	<u>23,611</u>	<u>30,984</u>

3) Other income

	For the three months ended September 30		For the nine months ended September 30	
	2024	2023	2024	2023
Associates	\$ 2,522	2,628	6,726	7,009
Other related parties	18	27	60	81
	<u>\$ 2,540</u>	<u>2,655</u>	<u>6,786</u>	<u>7,090</u>

- 4) In June 2024, the Group subscribed for 5,194,000 new shares from its associate, CTCI-HDEC, totaling \$51,940 thousand.

(d) Key Management Personnel Transaction

	For the three months ended September 30		For the nine months ended September 30	
	2024	2023	2024	2023
Short-term employee benefits	<u>\$ 36,362</u>	<u>28,469</u>	<u>134,109</u>	<u>120,525</u>

As of September 30, 2024 and 2023, the Group provides sixteen vehicles at a cost of \$27,453 thousand and fourteen vehicles at a cost of \$20,339 thousand, respectively, for the key management personnel.

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CONTINENTAL HOLDINGS CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(8) Assets pledged as security

<u>Asset</u>	<u>Purpose of pledge</u>	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
Inventories (development corp.)	Loan collateral	\$ 22,150,131	16,468,089	15,324,557
Restricted deposits (other current assets)	Time deposits collateral	150,735	168,870	172,582
Property, plant and equipment	Loan collateral and construction guarantee	8,542,529	7,856,770	8,158,223
Investment properties, net	Loan collateral and construction guarantee	2,329,476	7,470,336	7,473,307
Total		<u>\$ 33,172,871</u>	<u>31,964,065</u>	<u>31,128,669</u>

(9) Significant commitments and contingencies

(a) Major commitments were as follows:

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

	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
Total sales of completed construction and real estate	<u>\$ 25,203,213</u>	<u>11,805,520</u>	<u>11,742,579</u>
Receipts based on the contracts	<u>\$ 5,003,337</u>	<u>2,578,879</u>	<u>2,582,154</u>

(ii) As of September 30, 2024, December 31 and September 30, 2023, the Group has entered into contracts for the purchase of land but for which it has not received the legal title amounted to \$1,316,416 thousand, \$151,050 thousand and 282,550 thousand, within which, \$571,881 thousand, \$45,315 thousand and \$97,915 thousand had been paid.

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

	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
Total contract amount – NTD	\$ 183,232,815	160,657,096	155,279,513
– INR	35,074,796	35,074,796	35,063,078
– HKD	4,592,635	4,585,034	4,582,986
– MOP	982,544	982,544	982,544
Accumulated billing amount	144,671,695	129,755,641	128,045,487

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CONTINENTAL HOLDINGS CORPORATION AND SUBSIDIARIES
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(iv) Service Concession agreements

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

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

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

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

	September 30, 2024	December 31, 2023	September 30, 2023
Outstanding stand by letter of credit	\$ 271,327	1,364,576	1,274,180

(b) Contingent liability:

- (i) As of September 30, 2024, December 31 and September 30, 2023, the Group provided promissory notes for contract performance, issuance of commercial paper, and construction warranty, amounted to \$61,052,117 thousand, \$53,191,348 thousand and \$50,310,343 thousand, respectively.
- (ii) As of September 30, 2024, December 31 and September 30, 2023, promissory notes receivable for construction contracts amounted to \$15,443,081 thousand, \$14,855,261 thousand and \$14,701,818 thousand, respectively.

(c) Other

- (i) In April 2005, the Group filed a lawsuit against Kao Nan Region Construction Office for the East West Expressway (Kao Nan), demanding for the compensation fee of \$444,579 thousand for the dispute concerning the extension of the construction of the highway between Wujia and Shangliao. During the 2nd verdict in February 2014, Taiwan High Court Kaohsiung Branch decided that Kao Nan should pay the amount of \$243,206 thousand to the Group (including interest). However, the Group disagreed with the Court's decision and appealed to the Supreme Court regarding the matter. On the other hand, Kao Nan also appealed to the Supreme Court stating that the compensation amount decided by the High Court was unreasonable. In June 2014, the Supreme Court overturned the decision made by the High Court during the 2nd verdict and handed over this case back to the High Court for another decision. In September 2018, Taiwan High Court Kaohsiung Branch decided that Kao Nan should pay the amount of \$318,498 thousand to the Group (excluding interest). Both the Group and Kao Nan Region Construction Office appeal against the decision. In March 19, 2020, the Supreme Court decided the Group won partially in this case and the Kao Nan Construction Office should pay the amount of \$91,411 thousand (excluding interest) to the Group, who had received the amounts of \$86,667 thousand and \$5,909 thousand (both including interest) in May and July of 2020, respectively. The remaining amount of \$238,295 thousand (excluding interest) has been handed back to the High Court for reconsideration. The case is still in progress as of the reporting date.

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CONTINENTAL HOLDINGS CORPORATION AND SUBSIDIARIES
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- (ii) In the Indian Metro project of “Design and construction of TBM tunnel and underground stations bw chandpole, Badi chouper and reversal line”, the Group and the client Jaipur Metro Rail Corporation Limited (JMRC), have disputes over the repair warranty and other contract-related expense claims. Due to the disputes, JMRC requested the bank to encash the guarantee bond \$244,263 thousand (INR\$646,713 thousand) that guaranteed by the bank for the Group on April 5, 2024. In order to maintain a good creditworthiness record, the Group provided the guarantee bond (recorded as other receivable) to the bank, wherein JMRC was able to receive the whole amount on April 8, 2024. The aforementioned project has started operations in September 2020. The Group believes that the project has been completed and delivered in accordance with the contract and has fulfilled its warranty and repair obligations. As the result, the Group is not convinced by JMRC's reasons for requesting the encashment of the guarantee bond and are seeking legal remedies to request JMRC to return the encashed project guarantee bond.

(10) Losses due to major disasters: None

(11) Subsequent events: None

(12) Other

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

	For the three months ended September 30, 2024			For the three months ended September 30, 2023		
	Operating costs	Operating expenses	Total	Operating costs	Operating expenses	Total
Employee benefits						
Salary	452,257	227,447	679,704	409,406	197,160	606,566
Labor and health	35,893	15,059	50,952	31,292	13,177	44,469
Pension	15,467	10,190	25,657	14,463	8,446	22,909
Others	83,593	35,903	119,496	50,329	33,877	84,206
Depreciation	123,415	13,495	136,910	106,699	12,808	119,507
Amortization	18,151	-	18,151	17,188	-	17,188

	For the nine months ended September 30, 2024			For the nine months ended September 30, 2023		
	Operating costs	Operating expenses	Total	Operating costs	Operating expenses	Total
Employee benefits						
Salary	1,273,097	638,372	1,911,469	1,216,186	561,065	1,777,251
Labor and health	106,741	47,478	154,219	94,441	42,486	136,927
Pension	45,802	29,460	75,262	41,542	25,599	67,141
Others	201,272	101,141	302,413	131,212	95,860	227,072
Depreciation	381,187	38,421	419,608	319,279	39,083	358,362
Amortization	54,455	-	54,455	51,562	-	51,562

(b) Seasonal operation :

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

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CONTINENTAL HOLDINGS CORPORATION
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(13) Other disclosures

(a) Information on significant transactions

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

(i) Loans provided to other parties:

(In Thousands of New Taiwan Dollars)

Number	Name of lender	Name of borrower	Account name	Related party	Highest balance of financing to other parties during the period	Ending balance	Actual usage amount during the period	Range of interest rates during the period	Purposes of fund financing for the borrower (Note 2)	Transaction amount for businesses between two parties	Reasons for short-term financing	Allowance for bad debt	Collateral		Maximum amount of loans provided to a single enterprise (Note 1)	Maximum amount of loans (Note 1)
													Item	Value		
0	CHC	HDEC	Other receivables	Yes	500,000	-	-	1.3%	2	-	Replenish working capital	-	-	-	5,573,551	11,147,103
0	CHC	HDEC	Other receivables	Yes	500,000	500,000	500,000	1.3%	2	-	Replenish working capital	-	-	-	5,573,551	11,147,103
1	CDC	BANGSAR	Other receivables	Yes	331,901	331,901	322,682	2.5%	2	-	Land purchases and operation requirements	-	-	-	6,763,740	6,763,740
1	CDC	MEGA	Other receivables	Yes	913,836	913,836	760,333	2.5%	2	-	Land purchases and operation requirements	-	-	-	6,763,740	6,763,740
1	CDC	Grand River D. Limited	Other receivables	No	1,218,595	1,218,595	883,747	2.525%	2	-	Operation requirements	-	-	-	6,763,740	6,763,740
1	CDC	950 Investment LLC	Other receivables	Yes	110,530	-	-	8.40%	2	-	Operation requirements	-	-	-	6,763,740	6,763,740
2	CEC	CDC	Other receivables	Yes	500,000	500,000	500,000	Taibor+0.5%	2	-	Operation requirements	-	-	-	3,011,790	3,011,790

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

CHC:

Maximum amount of loans is limited to 40% of net equity value: \$27,867,757 thousand \times 40% = 11,147,103 thousand

Maximum amount of loans provided to a single business enterprise is limited to 20% of net equity value: \$27,867,757 thousand \times 20% = 5,573,551 thousand

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

CDC:

Maximum amount of loans is limited to 40% of net equity value: \$16,909,350 thousand \times 40% = 6,763,740 thousand

Maximum amount of loans provided to a single business enterprise is limited to 40% of net equity value: \$16,909,350 thousand \times 40% = 6,763,740 thousand

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

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CEC:

Maximum amount of loans is limited to 40% of net equity value: \$7,529,475 thousand × 40% = 3,011,790 thousand

Maximum amount of loans provided to a single business enterprise is limited to 40% of net equity value: \$7,529,475 thousand × 40% = 3,011,790 thousand

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

Note 3: Financing purposes:

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

(ii) Guarantees and endorsements for other parties:

(In Thousands of New Taiwan Dollars)

No.	Name of guarantor	Counter-party of guarantee and endorsement		Maximum amount of guarantees and endorsements for a specific enterprise	Highest balance of guarantees and endorsements during the period	Balance of guarantees and endorsements as of reporting date	Actual usage amount during the period	Property pledged for guarantees and endorsements (Amount)	Ratio of accumulated amounts of guarantees and endorsements over net worth in the latest financial statements	Maximum amount of guarantees and endorsements	Parent company' sendorsements/ guarantees to third parties on behalf of subsidiary	Subsidiary' s endorsements/ guarantees to third parties on behalf of parent company	Endorsements/ guarantees to third parties on behalf of companies in Mainland China
		Name	Relationship with the Company										
0	CHC	CICI	2	111,471,028	471,276	-	-	-	- %	111,471,028	Y	N	N
0	CHC	CEC	2	111,471,028	16,100,475	14,902,854	5,412,435	-	53.48 %	111,471,028	Y	N	N
0	CHC	HDEC	2	111,471,028	4,312,282	4,008,980	1,582,882	-	14.39 %	111,471,028	Y	N	N
1	CEC	CDC	4 and 7	15,058,950	1,071,000	1,071,000	216,669	-	14.22 %	15,058,950	N	N	N
2	CDC	CDC US.	2	33,818,700	164,175	158,250	-	-	0.94 %	33,818,700	N	N	N
2	CDC	CCD	2	33,818,700	3,770,000	1,885,000	1,885,000	-	11.15 %	33,818,700	N	N	N
2	CDC	BANGSAR	2 and 6	33,818,700	193,609	193,609	69,911	-	1.14 %	33,818,700	N	N	N
2	CDC	MEGA	2 and 6	33,818,700	409,042	394,280	373,391	-	2.33 %	33,818,700	N	N	N
2	CDC	950P	2 and 6	33,818,700	575,269	554,508	415,957	-	3.28 %	33,818,700	N	N	N
2	CDC	950H & 950R	2 and 6	33,818,700	1,779,657	1,715,430	1,593,082	-	10.14 %	33,818,700	N	N	N
2	CDC	Fanlu	6	33,818,700	3,643,000	2,086,000	1,820,007	-	12.34 %	33,818,700	N	N	N
3	CCD	CDC	3	10,933,336	6,232,200	5,250,000	1,892,047	4,729,055	192.07 %	10,933,336	N	N	N
4	HDEC	NSC	2	44,449,584	2,495,000	2,495,000	1,745,000	-	44.90 %	44,449,584	N	N	N
4	HDEC	PDC	2	44,449,584	1,545,000	1,545,000	1,028,500	-	27.81 %	44,449,584	N	N	N
4	HDEC	CTC	2	44,449,584	3,100,000	3,100,000	1,236,000	-	55.79 %	44,449,584	N	N	N
4	HDEC	CXC	2	44,449,584	4,900,000	4,900,000	2,170,000	-	88.19 %	44,449,584	N	N	N
4	HDEC	LHC	2 and 6	44,449,584	1,100,000	1,100,000	654,863	-	19.80 %	44,449,584	N	N	N
4	HDEC	BWC	2 and 6	44,449,584	1,004,705	229,500	115,260	-	4.13 %	44,449,584	N	N	N
4	HDEC	CTCI-HDEC	6	44,449,584	3,089,675	3,089,675	1,178,675	-	55.61 %	44,449,584	N	N	N

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No.	Name of guarantor	Counter-party of guarantee and endorsement		Maximum amount of guarantees and endorsements for a specific enterprise	Highest balance of guarantees and endorsements during the period	Balance of guarantees and endorsements as of reporting date	Actual usage amount during the period	Property pledged for guarantees and endorsements (Amount)	Ratio of accumulated amounts of guarantees and endorsements over net worth in the latest financial statements	Maximum amount of guarantees and endorsements	Parent company' s endorsements/ guarantees to third parties on behalf of subsidiary	Subsidiary' s endorsements/ guarantees to third parties on behalf of parent company	Endorsements/ guarantees to third parties on behalf of companies in Mainland China
		Name	Relationship with the Company										
4	HDEC	CEC	4and 5	44,449,584	210,129	183,586	183,586	-	3.30 %	44,449,584	N	N	N
4	HDEC	CDC	4	44,449,584	1,251,600	1,251,600	1,251,600	-	22.53 %	44,449,584	N	N	N
5	SDC	HDEC	3	407,816	100	100	100	-	0.20 %	407,816	N	N	N
5	SDC	NSC	4	407,816	100	100	100	-	0.20 %	407,816	N	N	N

Note 1: According to the policy of CHC, the total amount of endorsements/guarantees is limited to four times the net equity value in accordance with the Company's most recent financial statements: \$27,867,757 thousand \times 4 = \$111,471,028 thousand

The total amount of endorsements/guarantees provided to a single business is limited to four times the net equity value in accordance with the Company's most recent financial statements: \$27,867,757 thousand \times 4 = \$111,471,028 thousand

According to the policy of CEC, the total amount of endorsements/guarantees is limited to six times the net equity value in accordance with the Company's most recent financial statements except in the event of joint liability in joint ventures with other companies in the same industry: \$7,529,475 thousand \times 6 = \$45,176,850 thousand

The total amount of endorsements/guarantees provided to a single business is limited to three times the net equity value in accordance with the Company's most recent financial statements: \$7,529,475 thousand \times 3 = \$22,588,425 thousand

According to the policy of CEC, the total amount of endorsements/guarantees is limited to two times the net equity value in accordance with the Company's most recent financial statements except in the event of joint liability in joint ventures with other companies in the same industry: \$7,529,475 thousand \times 2 = \$15,058,950 thousand

The total amount of endorsements/guarantees provided to a single business is limited to two times the net equity value in accordance with the Company's most recent financial statements: \$7,529,475 thousand \times 2 = \$15,058,950 thousand

According to the policy of CDC, the total amount of endorsements/guarantees is limited to two times the net equity value in accordance with the Company's most recent financial statements: \$16,909,350 thousand \times 2 = \$33,818,700 thousand

The total amount of endorsements/guarantees provided to a single business is limited to two times the net equity value in accordance with the Company's most recent financial statements: \$16,909,350 thousand \times 2 = \$33,818,700 thousand

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

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

According to the policy of HDEC, the total amount of endorsements/guarantees is limited to eight times the net equity value in accordance with the Company's most recent financial statements: \$5,556,198 thousand \times 8 = \$44,449,584 thousand

The total amount of endorsements/guarantees provided to a single business is limited to eight times the net equity value in accordance with the Company's most recent financial statements: \$5,556,198 thousand \times 8 = \$44,449,584 thousand

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

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

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

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

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

(In Thousands of New Taiwan Dollars)

Name of holder	Category and name of security	Relationship with company	Account name	Ending balance				Note
				Shares/Units	Carrying value	Percentage of ownership (%)	Fair value	
CEC	Evergreen Steel Corp.	-	Non-current financial assets at fair value through other comprehensive income	25,645,907	3,039,039	6.15 %	3,039,039	
CEC	Xinrong Enterprise	-	Non-current financial assets at fair value through other comprehensive income	12,256,347	700,770	8.45 %	700,770	
CEC	Metro Consulting Service Ltd.	-	Non-current financial assets at fair value through other comprehensive income	300,000	3,690	6.00 %	3,690	
CEC	International Property & Finance Co., Ltd.	-	Non-current financial assets at fair value through other comprehensive income	26,301	-	1.64 %	-	
CEC	Shin Yu Energy Development Co., Ltd.	-	Non-current financial assets at fair value through other comprehensive income	22,405,297	-	9.00 %	-	
CDC	Grand River D. Limited	-	Non-current financial assets at fair value through profit or loss	51,436,803	1,068,858	10.00 %	1,068,858	

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(iv) Individual securities acquired or disposed of with accumulated amount exceeding the lower of NT\$300 million or 20% of the capital stock:

(In Thousands of New Taiwan Dollars)

Name of company	Category and name of security	Account name	Name of counter-party	Relationship with the company	Beginning Balance		Purchases		Sales				Ending Balance	
					Shares	Amount	Shares	Amount	Shares	Price	Cost	Gain (loss) on disposal	Shares	Amount
HDEC	CTC-Ordinary shares	Investment accounted for using equity method, net	CTC	Parent and subsidiary	450,000,000	451,916	40,000,000	400,000	-	-	-	-	850,000,000	867,756

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

(In Thousands of New Taiwan Dollars)

Name of company	Name of property	Transaction date	Transaction amount	Status of payment	Counter-party	Relationship with the Company	If the counter-party is a related party, disclose the previous transfer information				References for determining price	Purpose of acquisition and current condition	Others
							Owner	Relationship with the Company	Date of transfer	Amount			
CDC	Land in Fengxi Section, Nantun Dirstrict, Taichung City	2024.08.15	1,165,366	466,146	Natural person	Not related party	-	-	-	-	Evaluation report	Real estate development	-

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

(In Thousands of New Taiwan Dollars)

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

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

(In Thousands of New Taiwan Dollars)

Name of company	Related party	Relationship	Transaction details				Transactions with terms different from others		Notes/Accounts receivable (payable)		Note
			Purchase/Sale	Amount	Percentage of total purchases/sales	Payment terms	Unit price	Payment terms	Ending balance	Percentage of total notes/accounts receivable (payable)	
CEC	CDC	Related party of the Company	Construction contract	(1,998,727) (Note 3)	12.99%	Same as those in general transactions	-	-	705,029 (Note 3)	12.06%	Note 1
CDC	CEC	Related party of the Company	Construction project	1,998,727 (Note 3)	26.12%	Same as those in general transactions	-	-	(705,029) (Note 3)	61.02%	

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CONTINENTAL HOLDINGS CORPORATION
Notes to Consolidated Financial Statements

Name of company	Related party	Relationship	Transaction details				Transactions with terms different from others		Notes/Accounts receivable (payable)		Note
			Purchase/Sale	Amount	Percentage of total purchases/sales	Payment terms	Unit price	Payment terms	Ending balance	Percentage of total notes/accounts receivable (payable)	
CEC	Fanlu	Associate	Construction contract	(550,495)	3.58%	Same as those in general transactions	-	-	133,584	2.28%	Note 1
Fanlu	CEC	Associate	Construction project	550,495	39.79%	Same as those in general transactions	-	-	(133,584)	79.95%	
HDEC	NSC	Parent and subsidiary	Construction contract	(130,904) (Note 3)	4.36%	Same as those in general transactions	-	-	30,322 (Note 3)	2.19%	Note 1
NSC	HDEC	Parent and subsidiary	Construction project	130,904 (Note 3)	54.69%	Same as those in general transactions	-	-	(30,322) (Note 3)	80.27%	
HDEC	PDC	Parent and subsidiary	Construction contract	(178,224) (Note 3)	5.93%	Same as those in general transactions	-	-	77,569 (Note 3)	5.60%	Note 1
PDC	HDEC	Parent and subsidiary	Construction project	178,224 (Note 3)	76.09%	Same as those in general transactions	-	-	(77,569) (Note 3)	73.35%	
SDC	HDEC	Parent and subsidiary	Construction contract	(161,988) (Note 3)	73.10%	Same as those in general transactions	-	-	35,816 (Note 3)	55.47%	Note 1
HDEC	SDC	Parent and subsidiary	Construction project	161,988 (Note 3)	5.88%	Same as those in general transactions	-	-	(35,816) (Note 3)	7.41%	
HDEC	CXC	Parent and subsidiary	Construction contract	(979,292) (Note 3)	32.60%	Same as those in general transactions	-	-	406,912 (Note 3)	29.36%	Note 1
CXC	HDEC	Parent and subsidiary	Construction project	979,292 (Note 3)	43.57%	Same as those in general transactions	-	-	(406,912) (Note 3)	60.00%	
HDEC	CTC	Parent and subsidiary	Construction contract	(1,105,474) (Note 3)	36.80%	Same as those in general transactions	-	-	251,517 (Note 3)	18.15%	Note 1
CTC	HDEC	Parent and subsidiary	Construction project	1,105,474 (Note 3)	88.45%	Same as those in general transactions	-	-	(251,517) (Note 3)	99.51%	
HDEC	CTCI-HDEC	Associate	Construction contract	(349,623) (Note 3)	11.64%	Same as those in general transactions	-	-	135,350 (Note 3)	9.77%	Note 1
CTCI-HDEC	HDEC	Associate	Construction project	349,623 (Note 3)	70.13%	Same as those in general transactions	-	-	(135,350) (Note 3)	43.00%	

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

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

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

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Notes to Consolidated Financial Statements**

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

(In Thousands of New Taiwan Dollars)

Name of company	Counter-party	Relationship	Ending balance	Turnover rate	Overdue		Amounts received in subsequent period	Allowance for bad debts
					Amount	Action taken		
CEC	CDC	Related party of the Company	Accounts receivable 705,029	3.96	-	-	229,800	-
CEC	Fanlu	Associate	Accounts receivable 133,584	6.79	-	-	-	-
HDEC	CXC	Parent and subsidiary	Accounts receivable 406,912	4.44	-	-	199,716	-
HDEC	CTC	Parent and subsidiary	Accounts receivable 251,517	8.77	-	-	165,848	-
HDEC	CTCI-HDEC	Associate	Accounts receivable 135,350	3.51	-	-	46,189	-

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

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

(ix) Derivatives transactions:

As of September 30, 2024, the Group's Forward Exchange Agreement JPY649,500 thousand hedging instruments in amounts of USD7,014 thousand, JPY3,218 thousand and EUR103 thousand, GBP21 thousand and HKD109 thousand.

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(x) Business relationships and significant intercompany transactions:

(In Thousands of New Taiwan Dollars)

No.	Name of company	Name of counter-party	Relationship	Intercompany transactions			
				Account name	Amount	Trading terms	Percentage of the consolidated net revenue or total assets
0	CHC	HDEC	1	Non-current other assets-other	500,000	Same as those in normal transactions	0.60%
		HDEC	1	Other receivables	8,307	Same as those in normal transactions	0.01%
		HDEC	1	Interest revenues	11,920	Same as those in normal transactions	0.05%
1	CCLC	CEC	3	Operating revenues	121,807	Same as those in normal transactions	0.53%
		CDC	3	Operating revenues	29,257	Same as those in normal transactions	0.13%
		HDEC	3	Operating revenues	42,015	Same as those in normal transactions	0.18%
		CEC	3	Accounts receivable	14,034	Same as those in normal transactions	0.02%
2	CEC	CDC	3	Operating revenues	1,998,727	Same as those in normal transactions	8.68%
		CDC	3	Accounts receivable	233,029	Same as those in normal transactions	0.28%
		CDC	3	Contract assets	472,000	Same as those in normal transactions	0.56%
		CDC	3	Other receivables	500,000	Same as those in normal transactions	0.60%
		CCLC	3	Administrative expenses	121,807	Same as those in normal transactions	0.53%
		CCLC	3	Other payables	14,034	Same as those in normal transactions	0.02%
3	CDC	CEC	3	Operating costs	1,998,727	Same as those in normal transactions	8.68%
		CEC	3	Accounts payable	705,029	Same as those in normal transactions	0.84%
		CEC	3	Other payables	500,000	Same as those in normal transactions	1.16%
		MEGA	3	Other receivables	972,021	Same as those in normal transactions	1.16%
		Bangsar	3	Other receivables	370,578	Same as those in normal transactions	0.44%
		CCLC	3	Administrative expenses	29,257	Same as those in normal transactions	0.13%
		CCD	3	Non-current other assets-other	330,000	Same as those in normal transactions	0.39%
		CCD	3	Guarantee deposits received	330,000	Same as those in normal transactions	0.39%
4	CCD	CDC	3	Guarantee deposits received	330,000	Same as those in normal transactions	0.39%
5	MEGA	CDC	3	Other payables	972,021	Same as those in normal transactions	1.16%
6	BANGSAR	CDC	3	Other payables	370,578	Same as those in normal transactions	0.44%
7	HDEC	CHC	2	Non-current other liabilities-other	500,000	Same as those in normal transactions	0.60%
		CHC	2	Other payables	8,307	Same as those in normal transactions	0.01%
		CHC	2	Interest expense	11,920	Same as those in normal transactions	0.05%
		NSC	3	Operating revenues	130,904	Same as those in normal transactions	0.57%
		NSC	3	Account receivable	30,322	Same as those in normal transactions	0.04%
		SDC	3	Operating cost	161,988	Same as those in normal transactions	0.70%
		SDC	3	Account payable	35,816	Same as those in normal transactions	0.04%
		PDC	3	Operating revenues	178,224	Same as those in normal transactions	0.77%
		PDC	3	Account receivable	14,373	Same as those in normal transactions	0.02%
		PDC	3	Contract assets	63,196	Same as those in normal transactions	0.08%
		CTC	3	Operating revenues	1,105,474	Same as those in normal transactions	4.80%
		CTC	3	Account receivable	165,848	Same as those in normal transactions	0.20%
		CTC	3	Contract assets	85,669	Same as those in normal transactions	0.10%
		CXC	3	Operating revenues	979,292	Same as those in normal transactions	4.25%
		CXC	3	Account receivable	317,328	Same as those in normal transactions	0.38%
CXC	3	Contract assets	89,584	Same as those in normal transactions	0.11%		

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No.	Name of company	Name of counter-party	Relationship	Intercompany transactions			
				Account name	Amount	Trading terms	Percentage of the consolidated net revenue or total assets
7	HDEC	CCLC	3	Administrative expenses	42,015	Same as those in normal transactions	0.18%
8	NSC	HDEC	3	Operating cost	130,904	Same as those in normal transactions	0.57%
		HDEC	3	Accounts payable	30,322	Same as those in normal transactions	0.04%
9	SDC	HDEC	3	Operating revenue	161,988	Same as those in normal transactions	0.70%
		HDEC	3	Accounts receivable	8,192	Same as those in normal transactions	0.01%
		HDEC	3	Contract assets	27,624	Same as those in normal transactions	0.03%
		PDC	3	Operating revenue	49,180	Same as those in normal transactions	0.21%
		PDC	3	Accounts receivable	20,371	Same as those in normal transactions	0.02%
		PDC	3	Contract assets	6,889	Same as those in normal transactions	0.01%
10	PDC	HDEC	3	Operating cost	178,224	Same as those in normal transactions	0.77%
		HDEC	3	Accounts payable	77,569	Same as those in normal transactions	0.10%
		SDC	3	Operating cost	49,180	Same as those in normal transactions	0.21%
		SDC	3	Accounts payable	27,260	Same as those in normal transactions	0.03%
11	CTC	HDEC	3	Operating cost	1,105,474	Same as those in normal transactions	4.80%
		HDEC	3	Accounts payable	251,517	Same as those in normal transactions	0.30%
12	CXC	HDEC	3	Operating cost	979,292	Same as those in normal transactions	4.25%
		HDEC	3	Accounts payable	406,912	Same as those in normal transactions	0.49%

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

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

Note 2: Relationships are as follows:

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

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(b) Information on investees:

(In Thousands of New Taiwan Dollars)

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Balance as of September 30, 2024			Net income (losses) of investee	Share of profits/losses of investee	Note
				September 30, 2024	December 31, 2023	Shares	Percentage of ownership	Carrying value			
CHC	CEC	Taiwan	Civil, Building and M&E engineering	6,884,583	6,884,583	372,061,987	99.99 % (Note 2)	7,320,309	672,121	626,330	Note 1
CHC	CDC	Taiwan	Real estate development on residential, commercial, hotels and communities	6,220,745	6,220,745	666,733,726	99.99 % (Note 2)	16,909,347	513,790	513,790	Note 1
CHC	HDEC	Taiwan	Environmental project development & Water treatment	2,860,365	2,860,365	400,799,852	99.99 % (Note 3)	5,556,196	441,309	441,309	Note 1
CHC	CCLC	Taiwan	Management consulting	20,000	20,000	-	100.00 %	25,243	2,903	2,903	-
CEC	CICI	India	Civil and Building engineering	497,839	497,839	73,981,492	100.00 %	-	24,494	Disclosure not required	-
CEC	CIC	British Virgin Islands	Investment and holding	2,046,674	2,048,252	-	100.00 %	-	(5,214)	"	-
CEC	CIMY	Malaysia	Civil and Building engineering	179,257	179,257	22,340,476	85.14 %	6,200	(324)	"	-
CEC	CEC HK	Hong Kong	Civil and Building engineering	10,815	10,815	3,000,000	100.00 %	853	(78)	"	-
CDC	BANGSAR	Malaysia	Real estate development on residential	4,444	4,444	600,000	60.00 %	(31,355)	(13,398)	"	-
CDC	CCD	Taiwan	Real estate lease	976,539	976,539	48,198,292	80.65 %	2,165,591	(48,164)	"	-
CDC	Fanlu	Taiwan	Real estate development on residential and hotels	915,950	915,950	91,595,000	35.00 %	722,008	(156,560)	"	-
CDC	MEGA	Malaysia	Real estate development on hotels	7,375	7,375	825,000	55.00 %	(114,634)	50,295	"	-
CDC	CDC US.	The U.S.	Investment and holding	4,176,987	4,132,782	5,000,000	100.00 %	2,981,643	(566,591)	"	-
CDC	CDCAM	Malaysia	Management consulting	7,524	7,524	1,000,000	100.00 %	10,879	912	"	-
HDEC	SDC	Taiwan	Construction of underground pipeline and environmental protection project, plumbing	49,600	49,600	3,000,000	100.00 %	46,041	7,742	"	-
HDEC	NSC	Taiwan	Environmental project	1,112,000	1,112,000	166,000,000	100.00 %	2,803,329	124,943	"	-
HDEC	BWC	Taiwan	Environmental project	362,100	362,100	37,740,000	51.00 %	437,375	66,806	"	-
HDEC	PDC	Taiwan	Environmental project	540,000	540,000	63,026,000	100.00 %	656,522	16,226	"	-
HDEC	CTCI - HDEC	Taiwan	Environmental project	786,940	735,000	78,694,000	49.00 %	855,257	68,180	"	-
HDEC	LHC	Taiwan	Environmental project	550,000	550,000	56,100,000	55.00 %	617,638	61,753	"	-
HDEC	CTC	Taiwan	Environmental project	850,000	450,000	850,000,000	100.00 %	867,756	17,564	"	-
HDEC	CXC	Taiwan	Environmental project	1,000,000	1,000,000	102,891,000	100.00 %	1,134,266	102,136	"	-
CCLC	CEC	Taiwan	Civil, Building and M&E engineering	1	1	84	- (Note 4)	2	672,121	"	-

(Continued)

(English Translation of Financial Report Originally Issued in Chinese)**CONTINENTAL HOLDINGS CORPORATION
Notes to Consolidated Financial Statements**

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Balance as of September 30, 2024			Net income (losses) of investee	Share of profits/losses of investee	Note
				September 30, 2024	December 31, 2023	Shares	Percentage of ownership	Carrying value			
CCLC	CDC	Taiwan	Real estate development on residential, commercial, hotels and communities	3	3	113	- (Note 4)	3	513,790	Disclosure not required	-
CCLC	HDEC	Taiwan	Environmental project development & Water treatment	1	1	148	- (Note 5)	2	441,309	"	-

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

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

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

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

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

(c) Information on investment in Mainland China: None

(d) Major shareholders:

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

(Continued)

CONTINENTAL HOLDINGS CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(14) Segment information

For the three months ended September 30, 2024						
	Construction Engineering	Real Estate Development	Environmental project Development & Water Treatment	Investment	Adjustment and write-off	Total
Revenue:						
Segment revenues from external customers	\$ 4,588,119	1,140,700	2,461,162	-	-	8,189,981
Intersegment revenues	878,982	-	-	729,026	(1,608,008)	-
Total revenues	<u>\$ 5,467,101</u>	<u>1,140,700</u>	<u>2,461,162</u>	<u>729,026</u>	<u>(1,608,008)</u>	<u>8,189,981</u>
Reportable segment profit or loss	<u>\$ 352,236</u>	<u>74,901</u>	<u>229,217</u>	<u>633,245</u>	<u>(700,190)</u>	<u>589,409</u>
For the three months ended September 30, 2023						
	Construction Engineering	Real Estate Development	Environmental project Development & Water Treatment	Investment	Adjustment and write-off	Total
Revenue:						
Segment revenues from external customers	\$ 4,539,976	1,805,847	1,448,088	-	-	7,793,911
Intersegment revenues	552,729	-	-	636,915	(1,189,644)	-
Total revenues	<u>\$ 5,092,705</u>	<u>1,805,847</u>	<u>1,448,088</u>	<u>636,915</u>	<u>(1,189,644)</u>	<u>7,793,911</u>
Reportable segment profit or loss	<u>\$ 213,719</u>	<u>218,136</u>	<u>90,894</u>	<u>555,058</u>	<u>(577,746)</u>	<u>500,061</u>
For the nine months ended September 30, 2024						
	Construction Engineering	Real Estate Development	Environmental project Development & Water Treatment	Investment	Adjustment and write-off	Total
Revenues:						
Segment revenues from external customers	\$ 13,215,168	4,358,981	5,460,793	-	-	23,034,942
Intersegment revenues	2,047,497	-	-	1,777,411	(3,824,908)	-
Total revenues	<u>\$ 15,262,665</u>	<u>4,358,981</u>	<u>5,460,793</u>	<u>1,777,411</u>	<u>(3,824,908)</u>	<u>23,034,942</u>
Reportable segment profit or loss	<u>\$ 672,083</u>	<u>78,286</u>	<u>617,609</u>	<u>1,484,484</u>	<u>(1,630,123)</u>	<u>1,222,339</u>
For the nine months ended September 30, 2023						
	Construction Engineering	Real Estate Development	Environmental project Development & Water Treatment	Investment	Adjustment and write-off	Total
Revenues:						
Segment revenues from external customers	\$ 13,582,086	5,638,160	3,343,052	-	-	22,563,298
Intersegment revenues	1,599,460	-	-	1,717,422	(3,316,882)	-
Total revenues	<u>\$ 15,181,546</u>	<u>5,638,160</u>	<u>3,343,052</u>	<u>1,717,422</u>	<u>(3,316,882)</u>	<u>22,563,298</u>
Reportable segment profit or loss	<u>\$ 721,815</u>	<u>315,034</u>	<u>383,679</u>	<u>1,450,574</u>	<u>(1,598,025)</u>	<u>1,273,077</u>