Stock Code:3703

CONTINENTAL HOLDINGS CORPORATION

Parent Company Only Financial Statements

With Independent Auditors' Report
For the Years Ended December 31, 2021 and 2020

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The independent auditors' report and the accompanying parent company only 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' report and parent company only financial statements, the Chinese version shall prevail.

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Independent Auditors' Report

To the Board of Directors of CONTINENTAL HOLDINGS CORPORATION:

Opinion

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

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

Basis for Opinion

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

Key Audit Matters

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

Other Matter

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

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

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

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

1. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

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

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

KPMG

Taipei, Taiwan (Republic of China)
March 15, 2022

Notes to Readers

The accompanying parent company only financial statements are intended only to present the statement of financial position, financial performance and its 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 audit such parent company only financial statements are those generally accepted and applied in the Republic of China.

The auditors' report and the accompanying parent company only 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 auditors' report and parent company only financial statements, the Chinese version shall prevail.

(English Translation of Parent Company Only Financial Statements and Report Originally Issued in Chinese)

CONTINENTAL HOLDINGS CORPORATION

Balance Sheets

December 31, 2021 and 2020

(Expressed in Thousands of New Taiwan Dollars)

	Assets	December 31, 2021 Amount	%	December 31, 2020 Amount	%
	Current assets:				
1100	Cash and cash equivalents(note 6(a))	$ 724,893	3	204,159	1
1200	Other receivables(note 6(b) and 7)	19,038	-	10,893	-
1220	Current tax assets	750	-	289	-
1410	Prepayments	112	-	74	-
		744,793	3	215,415	1
	Non-current assets:				
1550	Investments accounted for using equity method(note 6(c) and(d))	25,009,040	93	23,575,217	99
1600	Property, plant and equipment(note 6(e))	2,498	-	1,944	-
1755	Right-of-use assets(note 6(f))	16,861	-	30,181	-
1920	Guarantee deposits paid	1	-	1	-
1990	Other non-current assets, others (note 6(b) and 7)	1,000,000	4	-	-
		26,028,400	97	23,607,343	99
	Total assets	**$ 26,773,193**	**100**	**23,822,758**	**100**

	Liabilities and Equity	December 31, 2021 Amount	%	December 31, 2020 Amount	%
	Current liabilities:				
2200	Other payables(note 7)	$ 39,108	-	24,093	-
2230	Current tax liabilities	118,625	-	-	-
2280	Current lease liabilities(note 6(h))	14,039	-	13,885	-
2399	Other current liabilities, others	413	-	138	-
		172,185	-	38,116	-
	Non-Current liabilities:				
2530	Bonds payable(note 6(g))	1,997,110	8	-	-
2580	Non-current lease liabilities(note 6(h))	3,747	-	17,786	-
2640	Net defined benefit liability, non-current(note 6(i))	25,987	-	27,015	-
		2,026,844	8	44,801	-
	Total liabilities	2,199,029	8	82,917	-
	Equity attributable to owners of parent(note 6(k)):				
3100	Capital stock	8,232,160	31	8,232,160	35
3200	Capital surplus	6,817,198	25	6,813,745	29
3300	Retained earnings	9,281,503	35	8,629,727	36
3400	Other equity	243,303	1	64,209	-
	Total equity	24,574,164	92	23,739,841	100
	Total liabilities and equity	**$ 26,773,193**	**100**	**23,822,758**	**100**

See accompanying notes to parent company only financial statements.

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)

CONTINENTAL HOLDINGS CORPORATION

Statements of Comprehensive Income

For the years ended December 31, 2021 and 2020

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

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

See accompanying notes to parent company only financial statements.

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)

CONTINENTAL HOLDINGS CORPORATION

Statements of Changes in Equity

For the years ended December 31, 2021 and 2020

(Expressed in Thousands of New Taiwan Dollars)

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

See accompanying notes to parent company only financial statements.

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)

CONTINENTAL HOLDINGS CORPORATION

Statements of Cash Flows

For the years ended December 31, 2021 and 2020

(Expressed in Thousands of New Taiwan Dollars)

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

See accompanying notes to parent company only financial statements.

(1) Company history

CONTINENTAL HOLDINGS CORPORATION (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.

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

The financial statements were approved and authorized for issue by the Board of Directors on March 15, 2022.

(3) New standards, amendments and interpretations adopted:

(a) The impact of the International Financial Reporting Standards ("IFRSs") endorsed by the Financial Supervisory Commission, R.O.C. ("FSC") which have already been adopted.

The Company has initially adopted the following new amendments, which do not have a significant impact on its financial statements, from January 1, 2021:

- Amendments to IFRS 4 "Extension of the Temporary Exemption from Applying IFRS 9"
- Amendments to IFRS 9, IAS39, IFRS7, IFRS 4 and IFRS 16 "Interest Rate Benchmark Reform—Phase 2"

The Company has initially adopted the following new amendments, which do not have a significant impact on its financial statements, from April 1, 2021:

- Amendments to IFRS 16 "Covid-19-Related Rent Concessions beyond June 30, 2021"

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

The Company assesses that the adoption of the following new amendments, effective for annual period beginning on January 1, 2022, would not have a significant impact on its financial statements:

- Amendments to IAS 16 "Property, Plant and Equipment－Proceeds before Intended Use"
- Amendments to IAS 37 "Onerous Contracts－Cost of Fulfilling a Contract"
- Annual Improvements to IFRS Standards 2018–2020
- Amendments to IFRS 3 "Reference to the Conceptual Framework"

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

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

(Continued)

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Notes to the 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”
- Amendments to IAS 1 “Classification of Liabilities as Current or Non-current”
- Amendments to IAS 1 “Disclosure of Accounting Policies”
- Amendments to IAS 8 “Definition of Accounting Estimates”
- Amendments to IAS 12 “Deferred Tax related to Assets and Liabilities arising from a Single Transaction”

(4) Summary of significant accounting policies:

The significant accounting policies presented in the financial statements are summarized follows. The following accounting policies were applied consistently throughout the periods presented in the financial statements.

(a) Statement of compliance

These financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

(b) Basis of preparation

(i) Basis of measurement

Except for the following significant accounts, the financial statements have been prepared on a historical cost basis:

1) The defined benefit liabilities are measured at the present value of the defined benefit obligation less fair value of the plan assets.

(ii) Functional and presentation currency

The functional currency of the Company is determined based on the primary economic environment in which the Company operates. The Company’ s financial statements are presented in New Taiwan Dollars, which is the Company’s functional currency. All financial information presented in New Taiwan Dollar has been rounded to the nearest thousand.

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

An asset is classified 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 helds 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 and cash equivalent unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

A liability is classified 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 helds 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) The Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

(d) Cash and cash equivalents

Cash comprises cash on hand, time deposit and demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value. Time deposits which meet the above definition and are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes that should be recognized as cash equivalents.

(e) Financial instruments

Account receivables and debt securities issued are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Company becomes a party to the contractual provisions of the instrument. An accounts receivable without a significant financing component is initially measured at the transaction price.

(i) Financial assets

A financial asset is classified as measured at amortized cost. Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

1) Financial assets measured at amortized cost

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

· it is held within a business model whose objective is to hold assets to collect contractual cash flows; and

· its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

These assets are subsequently measured at amortized cost, which is the amount at which the financial asset is measured at initial recognition, plus/minus, the cumulative amortization using the effective interest method, adjusted for any loss allowance. Interest income and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

(Continued)

CONTINENTAL HOLDINGS CORPORATION
Notes to the Financial Statements

2) Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, ‘principal’ is defined as the fair value of the financial assets on initial recognition. ‘Interest’ is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs, as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

· contingent events that would change the amount or timing of cash flows;

· terms that may adjust the contractual coupon rate, including variable rate features;

· prepayment and extension features; and

· terms that limit the Company’s claim to cash flows from specified assets (e.g. non-recourse features)

3) Impairment of financial assets

The Company recognizes loss allowances for expected credit losses (ECL) on financial assets measured at amortized cost (including cash and cash equivalents and other non-current assets-others).

The Company measures loss allowances at an amount equal to lifetime ECL, except for the following which are measured as 12-month ECL:

· Bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowance for accounts receivable are always measured at an amount equal to lifetime ECL.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Company’s historical experience and informed credit assessment as well as forward-looking information.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

(Continued)

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

At each reporting date, the Company assesses whether financial asset carried at amortized cost are credit-impaired. A financial asset is ‘credit-impaired’ when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial assets is credit-impaired includes the following observable data:

· significant financial difficulty of the borrower or issuer;

· a breach of contract such as a default or being more than 90 days past due;

· the lender of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession that the lender would not otherwise consider;

·it is probable that the borrower will enter bankruptcy or other financial reorganization; or

· the disappearance of an active market for a security because of financial difficulties.

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. The Company individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Company expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company’s procedures for recovery of amounts due.

4) Derecognition of financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

(Continued)

CONTINENTAL HOLDINGS CORPORATION
Notes to the Financial Statements

The Company enters into transactions whereby it transfers assets recognized in its statement of balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognized.

(ii) Financial liabilities

1) Financial liabilities

Financial liabilities are classified as measured at amortized cost.

Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

2) Derecognition of financial liabilities

The Company derecognizes a financial liability when its contractual obligations has been discharged, cancelled, or expired. The Company also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

On derecognition of a financial liability, the difference between the carrying amount of a financial liability extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

(f) Subsidiaries

The subsidiaries in which the Company holds controlling interest are accounted for under equity method in the financial statements. Under equity method, the net income, other comprehensive income and equity in the financial statement are the same as those attributable to the owners of parent in the consolidated financial statements.

The changes of equity not losing controlling are regarded as the trading of equity between the Company and the owners.

(g) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalized borrowing costs, less accumulated depreciation and any accumulated impairment losses.

If significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognized in profit or loss.

(Continued)

(ii) Subsequent expenditure

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

(iii) Depreciation

Depreciation is calculated on the cost of an asset less its residual value and is recognized in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment.

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

The estimated useful lives of property, plant and equipment are as follows:

Transportation equipment	5 years
Computer equipment	3 years
Office equipment	3～5 years

(h) Leases

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

(i) As a leasee

The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be reliably determined, the Company's incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise the following:

— fixed payments;

— variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;

(Continued)

- amounts expected to be payable under a residual value guarantee; and
- payments for purchase or termination options that are reasonably certain to be exercised.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when:

- there is a change in future lease payments arising from the change in an index or rate; or
- there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee; or
- there is a change in the lease term resulting from a change of its assessment on whether it will exercise an option to purchase the underlying asset, or
- there is a change of its assessment on whether it will exercise a purchase, extension or termination option; or
- there is any lease modifications

When the lease liability is remeasured, other than lease modifications, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or in profit and loss if the carrying amount of the right-of-use asset has been reduced to zero.

When the lease liability is remeasured to reflect the partial or full termination of the lease for lease modifications that decrease the scope of the lease, the Company accounts for the remeasurement of the lease liability by decreasing the carrying amount of the right-of-use asset to reflect the partial or full termination of the lease, and recognize in profit or loss any gain or loss relating to the partial or full termination of the lease.

The Company has elected not to recognize right-of-use assets and lease liabilities for variable lease payments of parking lot and office facilities. The Company recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

(i) Impairment of non-financial assets

At each reporting date, the Company reviews the carrying amounts of its non-financial assets to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash generating units (CGUs).

The recoverable amount of an asset or CGUs is the greater of its value in use and its fair value less costs to sell.

An impairment loss is recognized if the carrying amount of an asset or CGUs exceeds its recoverable amount. Impairment losses are recognized in profit or loss.

For non-financial assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

(j) Employee benefits

(i) Defined contribution plans

Obligations for contributions to defined contribution plans are expensed as the related service is provided.

(ii) Defined benefit plans

The Company's net obligation in respect of defined benefit plans is calculated separately for each the plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognized asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized immediately in other comprehensive income, and accumulated in retained earnings within equity. The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset). Net interest expense and other expenses related to defined benefit plans are recognized in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in profit or loss. The Company recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

(iii) Termination benefits

Termination benefits are expensed at the earlier of when the Company can no longer withdraw the offer of those benefits and when the Company recognizes costs for a restructuring. If benefits are not expected to be settled wholly within 12 months of the reporting date, then they are discounted.

(Continued)

CONTINENTAL HOLDINGS CORPORATION
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(iv) Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided.

A liability is recognized for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(k) Income Taxes

Income taxes comprise current taxes and deferred taxes. Except for expenses related to business combinations or recognized directly in equity or other comprehensive income, all current and deferred taxes are recognized in profit or loss.

Current taxes comprise the expected tax payables or receivables on the taxable profits (losses) for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payables or receivables are the best estimate of the tax amount expected to be paid or received. It is measured using tax rates enacted or substantively enacted at the reporting date.

Deferred taxes arise due to temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their respective tax bases. Deferred taxes are recognized except for the following:

(i) temporary differences on the initial recognition of assets and liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profits (losses) at the time of the transaction;

(ii) temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and

(iii) taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognized for the carry forward of unused tax losses, unused tax credits, and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefits will be realized; such reductions are reversed when the probability of future taxable profits improves.

Deferred taxes are measured at tax rates that are expected to be applied to temporary differences when they reserve, using tax rates enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are offset if the following criteria are met:

(i) the Company has a legally enforceable right to set off current tax assets against current tax liabilities; and

(ii) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either:

1) the same taxable entity; or

2) different taxable entities which intend to settle current tax assets and liabilities on a net basis, or to realize the assets and liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Although the adoption of consolidated tax return system by the Company, calculation for income tax still abide by the abovementioned accounting principles. Based on the consolidated income tax reported by the Company, it needs to adjust the current tax assets or liabilities for the Company.

(l) Earnings per share

Disclosures are made of basic and diluted earnings per share attributable to ordinary equity holders of the Company. The basic earnings per share are calculated based on the profit attributable to the ordinary shareholders of the Company divided by weighted- average number of ordinary shares outstanding. The diluted earnings per share are calculated based on the profit attributable to the ordinary shareholders of the Company, divided by weighted- average number of ordinary shares outstanding after adjustment for the effects of all potential dilutive ordinary shares, such as employee remuneration.

(m) Operating Segments

Please refer to the consolidated financial report.

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

The preparation of the financial statements in conformity with the Regulations Governing the Preparation of Financial Reports by Securities Issuers 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 management continues to monitor the accounting estimates and assumptions. The management recognizes any changes in accounting estimates during the period and the impact of those changes in accounting estimates in the following period.

(6) Explanation of significant accounts:

(a) Cash and cash equivalents

	December 31, 2021	**December 31, 2020**
Cash	$ 20	20
Cash in banks	99,873	204,139
Time deposits	625,000	-
Cash and cash equivalents	**$ 724,893**	**204,159**

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

(ii) Please refer to Note 6(p) for sensitivity analysis and interest rate risk of financial assets and liabilities.

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(b) Other receivables

	December 31, 2021	December 31, 2020
Other receivables-loans to subsidiary (recognized as other non-current assets - others)	$ 1,000,000	-
Other receivables-related parties	18,885	10,893
Others	153	-
Less: Allowance for impairment	-	-
	$ 1,019,038	10,893

Please refer to Note 6(p) for other credit risk information.

(c) Investments accounted for using equity method

	December 31, 2021	December 31, 2020
Subsidiaries	$ 25,009,040	23,575,217

(i) Subsidiaries

Please refer to the consolidated financial statement.

(ii) Guarantee

The investments accounted for using equity method were not pledged as collateral.

(d) Changes in a parent's ownership interest in a subsidiary

Disposal of part of equity ownership of subsidiaries without losing control

The Company disposed 100 stocks of CEC, CDC and HDEC's equity ownership in December 2021 for $1 thousand, $3 thousand and $1 thousand, respectively. All payments had been received.

The following summarizes the effect of changes in equity of the parent due to changes in the ownership interest of subsidiaries:

	For the years ended December 31, 2021		
	CEC	CDC	HDEC
Book value of the equity ownership of subsidiaries	$ 1	3	1
Consideration transferred from the equity ownership of subsidiaries	(1)	(3)	(1)
Capital surplus – differences between consideration and carrying amount of subsidiaries disposed	$ -	-	-

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(e) Property, plant and equipment

	Transportation equipment	Office equipment	Computer equipment	Total
Cost or deemed cost:				
Balance at January 1, 2021	$ 2,252	233	-	2,485
Additions	1,140	-	-	1,140
Balance at December 31, 2021	**$ 3,392**	**233**	**-**	**3,625**
Balance at January 1, 2020	$ 2,252	233	167	2,652
Additions	1,140	-	-	1,140
Disposals	(1,140)	-	(167)	(1,307)
Balance at December 31, 2020	**$ 2,252**	**233**	**-**	**2,485**
Depreciation and impairment losses:				
Balance at January 1, 2021	$ 465	76	-	541
Depreciation	534	52	-	586
Balance at December 31, 2021	**$ 999**	**128**	**-**	**1,127**
Balance at January 1, 2020	$ 517	25	167	709
Depreciation	375	51	-	426
Disposals	(427)	-	(167)	(594)
Balance at December 31, 2020	**$ 465**	**76**	**-**	**541**
Carrying amount				
Balance at December 31, 2021	**$ 2,393**	**105**	**-**	**2,498**
Balance at December 31, 2020	**$ 1,787**	**157**	**-**	**1,944**

The property, plant and equipment were not pledged as collateral.

(f) Right-of-use assets

	Buildings	Transportation equipment	Total
Cost:			
Balance at January 1, 2021	$ 52,904	1,514	54,418
Balance at December 31, 2021	**$ 52,904**	**1,514**	**54,418**
Balance at of January 1, 2020	$ 50,672	1,372	52,044
Additions	2,232	1,514	3,746
Disposals	-	(1,372)	(1,372)
Balance at December 31, 2020	**$ 52,904**	**1,514**	**54,418**
Depreciation and impairment losses:			
Balance at January 1, 2021	$ 24,069	168	24,237
Depreciation	12,815	505	13,320
Balance at December 31, 2021	**$ 36,884**	**673**	**37,557**

(Continued)

CONTINENTAL HOLDINGS CORPORATION

Notes to the Financial Statements

		Buildings	Transportation equipment	Total
Balance at of January 1, 2020	$	11,923	823	12,746
Depreciation		12,146	717	12,863
Disposals		-	(1,372)	(1,372)
Balance at December 31, 2020	$	**24,069**	**168**	**24,237**
Carrying amounts:				
Balance at December 31, 2021	$	**16,020**	**841**	**16,861**
Balance at December 31, 2020	$	**28,835**	**1,346**	**30,181**

(g) Bonds payable

On November 5, 2020, the Company's Board of Directors decided to issue the secured ordinary corporate bond amounting to no more than $2 billion, which had been approved by the Taipei Exchange (TPEx) on December 31, 2020. The offering information and main rights and obligations were as follows:

		December 31, 2021
Secured ordinary bonds issued	$	2,000,000
Unamortized discounted on bonds payable		(2,890)
	$	**1,997,110**

(i) On November 5, 2020, the Company's Board of Directors approved to issue the secured ordinary corporate bond amounted to no more than $2 billion, which had been approved by the Taipei Exchange (TPEx) on December 31, 2020. The offering information and main rights and obligations were as follows:

Item	1st secured ordinary corporate bond issued in 2020
Issued amount	The bond was issued at $2 billion.
Par value	Each unit was valued at $1 million.
Issued price	The bond was issued at par value on the issued date.
Tenor	The bond issued with maturities of 5 years. The tenor was from January 11, 2021 to January 11, 2026.
Coupon rate	Fixed rate 0.55%.
Repayment	The principal of the bond will be repaid on the maturity.
Interest Payment	Interests was paid once a year at coupon rate since the issued date.
Guarantee	The corporate bond was guaranteed by Mega International Commercial Bank in accordance with the guaranty deed of appointment.

(ii) Please refer to Note 6(o) for the amounts of interest expenses.

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(h) Lease liabilities

		December 31, 2021	December 31, 2020
Current	$	14,039	13,885
Non-current	$	3,747	17,786

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

The amounts recognized in profit or loss were as follows:

		2021	2020
Interest on lease liabilities	$	265	377
Variable lease payments not included in the measurement of lease liabilities	$	687	836

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

		2021	2020
Total cash outflow for leases	$	14,837	13,962

(i) Real estate leases

The Company leases buildings for its office space, with lease terms of five 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.

(ii) Other leases

The Company leases transportation equipment, with lease terms of three years.

In addition, the Company leases office equipment and parking lots, with lease terms of one to three years which are variable lease payments. The Company has elected not to recognize right-of-use assets and leases liabilities for these leases.

(i) Employee benefits

(i) Defined benefit plan

The present value of the defined benefit obligations and fair value of plan assets were as follows:

		December 31, 2021	December 31, 2020
Present value of defined benefit obligations	$	25,987	27,015
Fair value of plan assets		-	-
Net defined benefit liability	$	25,987	27,015

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Notes to the Financial Statements

1) Composition of plan asset

The Company failed to comply with the Labor Standards Act. to compensate retirement funds.

2) Movements in present value of the defined benefit obligations

The movements in present value of defined benefit obligations for the years ended December 31, 2021 and 2020 were as follows:

	2021	2020
Defined benefit obligation, January 1	$ 27,015	25,288
Current service costs and interest	430	421
Remeasurement of the net defined benefit liability (asset)		
—Actuarial gains arose from changes in demographic assumption	74	-
—Actuarial gains arose from changes in financial assumption	513	131
—Experience adjustments	(1,992)	1,175
Benefits paid by the plan	(53)	-
Defined benefit obligation, December 31	**$ 25,987**	**27,015**

3) Movements of defined benefit plan assets in fair value

The movements in the fair value of the defined benefit plan assets for the years ended December 31, 2021 and 2020 were $0.

4) Expenses recognized in profit or loss

	2021	2020
Current service costs	$ 160	155
Net interest on net defined benefit liability	270	266
	$ 430	**421**
Administrative expenses	**$ 430**	**421**

5) Remeasurement of the net defined benefit liability (asset) recognized in other comprehensive income

	2021	2020
Accumulated amount, January 1	$ (1,286)	(2,592)
Recognized during the period	(1,405)	1,306
Accumulated amount, December 31	**$ (2,691)**	**(1,286)**

(Continued)

CONTINENTAL HOLDINGS CORPORATION
Notes to the Financial Statements

6) Actuarial assumptions

	December 31, 2021	December 31, 2020
Discount rate	0.55 %	1.00%
Future salary increase rate	3.25 %	3.00 %

The Company is expected to make a contribution payment of $26 to the defined benefit plans for the one year period after reporting date.

The weighted-average lifetime of the defined benefit plan is 12.42 years.

7) Sensitivity Analysis

When calculating the present value of the defined benefit obligations, the Company uses judgments and estimations to determine the actuarial assumptions, including discount rates and future salary changes, as of the financial statement date. Any changes in the actuarial assumptions may significantly impact the amount of the defined benefit obligations.

As of December 31, 2021 and 2020, the changes in the principal actuarial assumptions will impact the present value of the defined benefit obligation as follows:

	Impact on the defined benefit obligations	
	Increase	Decrease
December 31, 2021		
Discount (change in 0.25%)	(3.03)%	3.15%
Future salary increase (change in 1.00%)	20.27%	(17.91)%
December 31, 2020		
Discount (change in 0.25%)	(0.25)%~(2.19)%	0.25%~2.29%
Future salary increase (change in 1.00%)	2.16%~14.86%	(2.09)%~(12.93)%

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions remain constant, would have affected the defined benefit obligation by the amounts shown above. The method used in the sensitivity analysis is consistent with the calculation of the pension liabilities in the balance sheets.

The analysis is performed on the same basis for prior year.

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Notes to the Financial Statements

(ii) Defined contribution plan

The Company allocates 6% of each employee's monthly wages to the labor pension personal account at the Bureau of the Labor Insurance in accordance with the provisions of the Labor Pension Act. Under this defined contribution plan, the Company allocates a fixed amount to the Bureau of the Labor Insurance without additional legal or constructive obligations.

The Company's pension costs incurred from the contributions to the Bureau of the Labor Insurance amounted to $2,019 thousand and $1,797 thousand for the years ended December 31, 2021 and 2020, respectively.

(j) Income Tax

(i) Income tax expenses

Income tax expenses were as follows:

		2021	2020
Current income tax expenses	$	106,726	-
Additional surtax on unappropriated earnings		12,027	-
Adjustment for prior periods		-	(71,483)
Income tax expenses	$	**118,753**	**(71,483)**

Income tax recognized in other comprehensive income (expense) benefit were as follows:

		2021	2020
Items that will not be reclassified to profit or loss			
Remeasurement from defined benefit plans	$	**5,505**	**(2,942)**

The reconciliation of income tax expense (income) and income before tax were as follows:

		2021	2020
Income before tax	$	**1,945,051**	**1,467,060**
Income tax expense at domestic statutory tax rate	$	389,010	293,412
Investment gain accounted for using equity method		(410,085)	(311,048)
Dividend revenues		22,632	20,510
Consolidated tax		105,014	-
Additional surtax on unappropriated earnings		12,027	-
Others		155	(2,874)
Adjustment for prior periods		-	(71,483)
Total	$	**118,753**	**(71,483)**

(ii) Status of approval of income tax

The Company's income tax returns for the year up to 2016 have been assessed by the tax authorities.

(Continued)

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Notes to the Financial Statements

(k) Capital and other equity

As of December 31, 2021 and 2020, the total value of nominal authorized ordinary shares amounted to $10,000,000 thousand. Face value of each share is $10, which means in total there were 1,000,000 thousand ordinary shares, of which 823,216 thousand shares, were issued and paid upon issuance.

(i) Capital surplus

		December 31, 2021	December 31, 2020
Premiums from issuance of share capital	$	6,397,913	6,397,913
Treasury stock transactions		406,518	406,518
Change on subsidiaries equity		12,767	9,314
	$	**6,817,198**	**6,813,745**

1) The Company was established on April 8, 2010, it became the holding company of CEC via a share swap. The net equity of CEC's stock in excess of par value of the Company's stock was $7,368,919 thousand, this amount was credited to capital surplus. In 2011, the Company used capital surplus to distribute Year 2010 cash dividends for an amount of $504,695 thousand.

2) In accordance with the R.O.C. Company Act, the realized capital surplus can only be reclassified as share capital or distributed as cash dividends after offsetting losses. The aforementioned capital surplus includes share premiums and donation gains. In accordance with the Securities Offering and Issuance Guidelines, the amount of capital surplus to increase share capital shall not exceed 10% of the actual share capital amount.

(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 the 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 the paid in capital.

CONTINENTAL HOLDINGS CORPORATION

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2) Special Reserve

The Company applied the exemptions at the first-time adoption of IFRSs and 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 the 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 December 31, 2021 and 2020, the special reserve related to all IFRSs adjustments amounted to $2,262,233 thousand.

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 unappropriated 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 2020 and 2019 had been approved during the board meeting on March 16, 2021 and April 30, 2020, respectively. The other distributions of the appropriations of earnings had been approved during the shareholders' meeting on July 30, 2021 and June 12, 2020, respectively. The relevant dividend distributions to shareholders were as follows:

	2020		2019	
	Amount per share	**Total Amount**	**Amount per share**	**Total Amount**
Dividends distributed to common shareholders:				
Cash	**$ 1.4**	**1,152,502**	**0.5**	**411,608**

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(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, 2021	$	(865,391)	946,889	(17,289)	64,209
Exchange differences on subsidiaries accounted for using equity method		(103,860)	-	-	(103,860)
Unrealized gains from financial assets measured at fair value through other comprehensive income, subsidiaries accounted for using equity method		-	281,789	-	281,789
Gains from hedging instrument measured at other comprehensive income, subsidiaries accounted for using equity method		-	-	1,165	1,165
Balance at December 31, 2021	$	(969,251)	1,228,678	(16,124)	243,303
Balance at January 1, 2020	$	(645,041)	728,286	(911)	82,334
Exchange differences on subsidiaries accounted for using equity method		(220,350)	-	-	(220,350)
Unrealized gains from financial assets measured at fair value through other comprehensive income, subsidiaries accounted for using equity method		-	218,603	-	218,603
Gains from hedging instrument measured at other comprehensive income, subsidiaries accounted for using equity method		-	-	(16,378)	(16,378)
Balance at December 31, 2020	$	(865,391)	946,889	(17,289)	64,209

(l) Earnings per share

(i) Basic earnings per share

The basic earnings per share that are calculated based on net income attributable to ordinary shareholders of the Company for the years ended December 31, 2021 and 2020 are $1,826,298 thousand and $1,538,543 thousand, respectively; the weighted average number of ordinary shares outstanding are 823,216 thousand. The related calculations are as follows:

1) Net income attributable to ordinary shareholders

		2021	2020
Net income attributable to ordinary shareholders	$	1,826,298	1,538,543

2) Weighted average number of ordinary shares

	2021	2020
Weighted average number of ordinary shares at December 31	823,216	823,216

(ii) Diluted earnings per share

The diluted earnings per share that are calculated based on net income attributable to ordinary shareholders of the Company for the years ended December 31, 2021 and 2020 are $1,826,298 thousand and $1,538,543 thousand, respectively. After adjusting the effect of dilution of ordinary share, the weighted average number of ordinary shares outstanding for the years ended December 31, 2021 and 2020 are 823,669 thousand and 823,617 thousand, respectively. The related calculations are as follows:

(Continued)

CONTINENTAL HOLDINGS CORPORATION
Notes to the Financial Statements

1) Net income attributable to ordinary shareholders

	2021	2020
Net income attributable to ordinary shareholders	$ **1,826,298**	**1,538,543**

2) Weighted average number of ordinary shares (Diluted)

	2021	2020
Weighted average number of ordinary shares (Basic)	823,216	823,216
Effect of employee bonuses	453	401
Weighted average number of ordinary shares (Diluted) at December 31	**823,669**	**823,617**

(m) Revenue from contracts with customers

	2021	2020
Investment revenues	$ **2,050,426**	**1,555,241**

(n) 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.

For the years ended December 31, 2021 and 2020, the Company estimated its employee remuneration to be $9,774 thousand and $7,372 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 during 2021 and 2020. The amounts, as stated in the parent company only financial statements, are identical to those of the actual distributions for the years ended December 31, 2021 and 2020. Related information would be available at the Market Observation Post System website.

(o) Non-operating income and expenses

(i) Interest income

	2021	2020
Bank deposits	$ 2,585	358
Loans of funds	11,060	-
Endorsement	4,488	7,844
	$ **18,133**	**8,202**

CONTINENTAL HOLDINGS CORPORATION
Notes to the Financial Statements

(ii) Other gains and losses

		2021	2020
Gains on overdue payables written off	$	7	-
Losses on disposals of property, plant and equipment		-	(73)
Other		12,426	8,863
	$	**12,433**	**8,790**

(iii) Financial costs

		2021	2020
Interest expenses			
Bank borrowings	$	16	150
Lease liabilities		265	377
Bonds payables (including amortization expenses)		24,096	-
	$	**24,377**	**527**

(p) Financial instruments

(i) Credit risk

1) Credit risk exposure

As of December 31, 2021 and 2020, the Company' 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 recognized on the balance sheet; and
- The financial guarantee provided by the Company amounted to $20,095,555 thousand and $19,178,990 thousand, respectively.

2) Credit risk concentrations: None.

3) Other receivables of credit risk

Other receivables are considered to have low risk, and thus the impairment provision recognized during the period was limited to 12 months expected losses.

CONTINENTAL HOLDINGS CORPORATION
Notes to the Financial Statements

(ii) Liquidity risk

The following tables show the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements.

		Carrying amount	Contractual cash flows	Within 1 year	1-5 years	More than 5 years
December 31, 2021						
Non-derivative financial liabilities						
Other payables	$	39,108	39,108	39,108	-	-
Lease liabilities		17,786	17,902	14,151	3,751	-
Bonds payable		1,997,110	2,055,000	11,000	2,044,000	-
	$	**2,054,004**	**2,112,010**	**64,259**	**2,047,751**	**-**
December 31, 2020						
Non-derivative financial liabilities						
Other payables	$	24,093	24,093	24,093	-	-
Lease liabilities		31,671	32,052	14,150	17,902	-
	$	**55,764**	**56,145**	**38,243**	**17,902**	**-**

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

(iii) Fair value of financial instruments

1) Categories and fair value of financial instruments

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

	December 31, 2021					
			Fair Value			
		Book Value	Level 1	Level 2	Level 3	Total
Financial assets at amortized cost						
Cash and cash equivalents	$	724,893	-	-	-	-
Other receivables		19,038	-	-	-	-
Guarantee deposits paid		1	-	-	-	-
Other non-current assets,others		1,000,000	-	-	-	-
Subtotal	$	**1,743,932**	**-**	**-**	**-**	**-**
Financial liabilities measured at amortized cost						
Other payables	$	39,108	-	-	-	-
Lease liabilities		17,786	-	-	-	-
Bonds payable		1,997,110	-	-	-	-
Subtotal	$	**2,054,004**	**-**	**-**	**-**	**-**

(Continued)

CONTINENTAL HOLDINGS CORPORATION
Notes to the Financial Statements

	December 31, 2020				
		Fair Value			
	Book Value	Level 1	Level 2	Level 3	Total
Financial assets at amortized cost					
Cash and cash equivalents	$ 204,159	-	-	-	-
Other receivables	10,893	-	-	-	-
Guarantee deposits paid	1	-	-	-	-
Subtotal	$ 215,053	-	-	-	-
Financial liabilities measured at amortized cost					
Other payables	$ 24,093	-	-	-	-
Lease liabilities	31,671	-	-	-	-
Subtotal	$ 55,764	-	-	-	-

2) Transfer between Level 1 and Level 2

There were no level transfers in 2021 and 2020.

(q) Financial risk management

(i) Overview

The Company is exposed to the following risks from its financial instruments:

1) Credit risk

2) Liquidity risk

3) Market risk

According to the exposed risks stated above, the following notes are the objectives, policies and procedures of the risk measurement and management of the Company.

(ii) Risk management framework

1) The daily operation of the Company is affected by multiple financial risks, including credit risk, liquidity risk and market risk. The overall risk control policy focuses on unpredictable events in financial market and seeks reduction of potential adverse impact on financial status and financial performance.

2) The Company's finance department implements risk management in accordance with the policy approved by the Board of Directors. The Company's financial department work to identify, assess and minimize various financial risks.

(iii) Credit risk

Credit risk is the risk of financial loss to the Company if counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from other receivables.

CONTINENTAL HOLDINGS CORPORATION

Notes to the Financial Statements

1) Investment

The credit risk exposure in the bank deposits, fixed income investments and other financial instruments are measured and monitored by the Company's finance department. Since the Company's transactions are with the banks, financial institutions, corporate organizations and government agencies, with good credit ratings there are no non-compliance issues and therefore no significant credit risk.

2) Guarantee

As of December 31, 2021 and 2020, the Company's guarantee for project construction and bank loans for related parties amounted to $21,652,303 thousand and $20,803,676 thousand, respectively.

(iv) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to manage liquidity is to ensure, as far as possible, that it always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company is an investment holding company established on the basis of share conversion. The assets are long-term investments and the working capital requirements are very low. Therefore, there is no liquidity risk due to the inability to raise funds to meet contractual obligations.

As of December 31, 2021 and 2020, the Company has unused credit limit for $150,000 thousand and $2,100,000 thousand, respectively.

(v) Market risk

Market risk is the risk that changes in market prices, such as interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

(r) Capital Management

The Company meets its objectives of managing capital to safeguard the capacity to continue to operate, to continue to provide a return on shareholders, to maintain the interest of other related parties and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the dividend payment to the shareholders, reduce the capital for redistribution to shareholders, issue new shares or sell assets to settle any liabilities.

CONTINENTAL HOLDINGS CORPORATION

Notes to the Financial Statements

The Company uses the debt-to-equity ratio to manage capital. This ratio is using the total net debt divided by the total capital. The net debt from the balance sheet is derived from the total liabilities, less, cash and cash equivalents. The total capital and equity includes capital stock, capital surplus, retained earnings and other equity, plus, net debt.

The Company's ratio as of December 31, 2021 and 2020 is as follows:

	December 31, 2021	December 31, 2020
Total liabilities	$ 2,199,029	82,917
Less: cash and cash equivalents	(724,893)	(204,159)
Net debt	1,474,136	(121,242)
Total equity	24,574,164	23,739,841
Adjusted capital	**$ 26,048,300**	**23,618,599**
	5.66%	**- %**

(s) Non-cash financing activities

Reconciliation of liabilities arising from financing activities were as follow:

	January 1, 2021	Cash flows	Changes in lease payment	Other	December 31, 2021
Lease liabilities	$ 31,671	(13,885)	-	-	17,786
Bonds payable	-	1,996,388	-	722	1,997,110
Total liabilities from financing activities	**$ 31,671**	**1,982,503**	**-**	**722**	**2,014,896**

	January 1, 2020	Cash flows	Changes in lease payment	December 31, 2020
Lease liabilities	**$ 40,675**	**(12,749)**	**3,745**	**31,671**

(7) Related-party transactions:

(a) Parent Group and Ultimate Controlling Party

Montrion Corporation is the parent company of the Company.

(b) Names and relationship with related parties

Name of related party	Relationship with the Company
Continental engineering Corp.(CEC)	Subsidiary
Continental Development Corp.(CDC)	Subsidiary
HDEC Corp.(HDEC)	Subsidiary
Continental Consulting Limited Company (CCLC)	Subsidiary
CEC International Corp.	Subsidiary
CEC International Corp.(India) Private Limited(CICI)	Subsidiary
CEC International Malaysia Sdn. Bhd.	Subsidiary
Continental Engineering Corp. (Hong Kong) Limited	Subsidiary

(Continued)

CONTINENTAL HOLDINGS CORPORATION
Notes to the Financial Statements

Name of related party	Relationship with the Company
CDC Commercial Development Corp. (CCD)	Subsidiary
MEGA Capital Development Sdn. Bhd.	Subsidiary
Bangsar Rising Sdn. Bhd.	Subsidiary
CDC Asset Management Malaysia Sdn. Bhd.	Subsidiary
CDC US Corp.	Subsidiary
CDC Investment Management LLC	Subsidiary
Trimosa Holdings LLC	Subsidiary
950 Investment LLC	Subsidiary
950 Property LLC	Subsidiary
950 Hotel Property LLC	Subsidiary
950 Retail Property LLC	Subsidiary
HDEC Construction Corp.	Subsidiary
North Shore Environment Corp.	Subsidiary
Blue Whale Water Technologies Corp.	Subsidiary
HDEC (Puding) Environment Corp.	Subsidiary
HDEC-CTCI (Linhai) Corp.	Subsidiary
Metropolis Property Management Corporation	Other related party
WFV Corporation	Other related party
Tsai○○	Other related party

(c) Other related party transactions

(i) Other receivables - related parties

	December 31, 2021	December 31, 2020
Subsidiary－CEC	$ 5,526	7,599
Subsidiary－HDEC	12,945	2,994
Subsidiary－CDC	414	300
	$ 18,885	**10,893**

(ii) Other payables - related parties

	December 31, 2021	December 31, 2020
Subsidiaries	$ 9	15
Other related parties	-	86
	$ 9	**101**

(Continued)

CONTINENTAL HOLDINGS CORPORATION
Notes to the Financial Statements

(iii) Loans to related parties

	December 31, 2021
Subsidiary－HDEC	$ 1,000,000

The rates of unsecured loans to related parties is similar to the market rates. After assessment, no provisions for bad debt expenses were accrued.

(iv) Rental

In April 2018, the Company leased an office building from other related party. A five-year lease contract were signed. The Company applied IFRS 16, with a date of initial application on January 1, 2019. This lease transaction recognized the additional amount of $50,672 thousand of right-of-use assets and lease liabilities.

For the years ended December 31, 2021 and 2020, the Company recognized the amounts of $254 thousand and $370 thousand as interest expenses, and the balance of lease liabilities amounted to $16,939 thousand and $30,323 thousand.

(v) Endorsements and Guarantees

	Guarantee classification	December 31, 2021	December 31, 2020
Subsidiary－CICI	Project construction guarantee	$ 467,024	487,406
Subsidiary－CEC	Project construction guarantee	1,089,724	1,137,280
Subsidiary－CEC	Guarantee for bank loans	17,348,286	17,251,721
Subsidiary－HDEC	Guarantee for bank loans	2,747,269	1,927,269
		$ 21,652,303	20,803,676

(vi) Other income

1) Deduction of administrative expenses

	2021	2020
Subsidiary－CEC	$ 14,045	13,384

2) Interest revenues

	2021	2020
Subsidiary－CEC	$ 2,969	5,178
Subsidiary－HDEC	12,579	2,666
	$ 15,548	7,844

(Continued)

3) Other non-operating income

	2021	2020
Subsidiary－CEC	$ 6,592	4,787
Subsidiary－CDC	3,861	2,563
Subsidiary－HDEC	1,973	1,360
	$ 12,426	**8,710**

(vii) Other expenses

	2021	2020
Other related parties	**$ 7,225**	**6,397**

(viii) Other transactions

1) Disposal of properties

In 2020, the Company sold its transportation equipment to other related party for $640 thousand (excluding tax), and recognized the loss of disposal for $73 thousand. All the payments had been received.

2) Disposal of investments accounted for using equity method

In 2021, the Company sold its investments accounted for using equity method to CCLC, please refer to Note 6(d).

(d) Key Management Personnel Transaction

Key Management Personnel Compensation

	2021	2020
Short-term employee benefits	**$ 28,921**	**22,986**

The Company provides three vehicles and two vehicles for key management personnel at a cost of $3,393 thousand and $2,252 thousand in 2021 and 2020, respectively.

(8) Pledged assets: None

(9) Commitments and contingencies:

As of December 31, 2021 and 2020, the Company provided promissory notes for performance guarantee amounted to $52,760 thousand.

(10) Losses Due to Major Disasters: None

(11) Subsequent Events: None

CONTINENTAL HOLDINGS CORPORATION
Notes to the Financial Statements

(12) Other:

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

	2021			2020		
	Operating costs	Operating expenses	Total	Operating costs	Operating expenses	Total
Employee benefits (Note)						
Salary	-	44,252	44,252	-	42,605	42,605
Labor and health insurance	-	3,858	3,858	-	3,188	3,188
Pension	-	2,449	2,449	-	2,218	2,218
Remuneration of directors	-	13,488	13,488	-	13,480	13,480
Others	-	11,519	11,519	-	9,000	9,000
Depreciation	-	13,906	13,906	-	13,289	13,289
Depletion	-	-	-	-	-	-
Amortization	-	-	-	-	-	-

Note: The salary expenses at the company's request to its subsidiaries were accounted under the employee benefits.

For the years ended December 31, 2021 and 2020, the information on the number of employees and employee benefit expenses of the Company are as follows:

	2021	2020
Number of employees	37	33
Number of directors (non-employee)	7	7
Average employee benefit expense	$ 2,069	2,193
Average employee salary expense	$ 1,475	1,639
Percentage of average employee salary expense	(10.01)%	
Supervisor's Remuneration	$ -	-

The Company's remuneration policy (including directors, managers and employees) are as follow:

(i) Directors' remuneration policy:

If the Company turns a profit during the year then 0.5% should be allocated as employee remuneration and no more than 0.5% as directors' remuneration. After taking the level of directors' involvement in the Company operations as well as domestic/overseas trends in the structure of directors' compensation into account, the 10th meeting of the 3rd Board of Directors session resolved that directors' remuneration will be paid as fixed compensation instead. A distinction shall also be made between Independent Directors and ordinary Directors.

CONTINENTAL HOLDINGS CORPORATION

Notes to the Financial Statements

All Independent Directors are members of the Company’s Audit Committee and Compensation Committee. Reasonable compensation is paid to Independent Directors based on their level of engagement, the business performance of the Company, linkage to future risks, as well as prevailing industry standards.

(ii) Managers' and employees' remuneration policy:

The Company strives to provide competitive total reward packages. To ensure internal fairness and external competitiveness, salary surveys are conducted each year to serve as a reference for adjustments to compensation and to respond to changes in the external salary market in a timely manner. To ensure equal working rights regardless of gender, there is no gender-based difference in compensation at every level. Gender equality in the workplace is enforced by basing compensation purely on the qualifications required for each position, individual ability and performance. To encourage the continued pursuit of excellence among employees, the Company has drawn up regulations governing performance bonuses. Employees that make a contribution to the Company’s development are rewarded with performance bonuses based on the Company’s and their individual performance for the year. The performance-based bonuses establish a fair and reasonable reward system for encouraging greater employee initiative.

Management and employee remuneration at the Company consist of fixed compensation and variable bonuses. Fixed compensation is the monthly salary based mainly on factors such as roles, skills, market rates, and company operations. Variable bonuses are based on the Company’ s operating performance for the year, the contributions made by managers and employees during the year, as well as the Company’ s operating risks. The procedure for determining remuneration requires approval through the internal the Level of Authority Table. Management compensation should be submitted to the Remuneration Committee for review before being presented to the Board for approval.

(b) Condensed balance sheet and income statement of significant subsidiaries

(i) CONTINENTAL ENGINEERING CORPRATION.

CONTINENTAL ENGINEERING CORPRATION.

Balance Sheets

December 31, 2021 and 2020

Assets		December 31, 2021	December 31, 2020
Current assets	$	9,657,341	9,750,998
Fund and long-term investments		2,091,970	1,822,239
Property, plant and equipment		1,578,049	1,390,188
Right-of-use assets		110,324	152,328
Investment properties and other assets		2,123,345	2,334,819
Total assets	$	**15,561,029**	**15,450,572**

(Continued)

CONTINENTAL HOLDINGS CORPORATION

Notes to the Financial Statements

Liabilities and equity	December 31, 2021	December 31, 2020
Current liabilities	$ 9,048,317	8,798,704
Long-term liabilities	1,420,000	1,850,000
Other liabilities	222,446	552,770
Total liabilities	10,690,763	11,201,474
Capital stock	4,400,621	4,400,621
Capital surplus	1,258,535	1,255,082
Retained earnings	(1,232,572)	(1,620,572)
Other equity	443,682	213,967
Total equity	4,870,266	4,249,098
Total liabilities and equity	**$ 15,561,029**	**15,450,572**

CONTINENTAL ENGINEERING CORPRATION.

Statements of Comprehensive Income

For the years ended December 31, 2021 and 2020

Subject	2021	2020
Operating revenues	$ 17,036,861	14,019,428
Operating costs	(16,037,661)	(13,179,911)
Gross profit from operations	999,200	839,517
Operating expenses	(678,968)	(674,460)
Net operating income	320,232	165,057
Non-operating income and expenses	85,297	90,144
Income before tax	405,529	255,201
Income tax expenses	(708)	-
Net income	404,821	255,201
Other comprehensive income	212,894	103,174
Total comprehensive income	**$ 617,715**	**358,375**

(Continued)

CONTINENTAL HOLDINGS CORPORATION

Notes to the Financial Statements

(ii) CONTINENTAL DEVELOPMENT CORPORATION

CONTINENTAL DEVELOPMENT CORPORATION

Balance Sheets

December 31, 2021 and 2020

Assets		December 31, 2021	December 31, 2020
Current assets	$	21,757,063	23,903,965
Fund and long-term investments		5,824,408	5,750,421
Property, plant and equipment		4,654	758
Right-of-use assets		37,781	38,626
Investment properties		2,305,800	2,126,422
Total assets	$	**29,929,706**	**31,820,192**
Liabilities and equity			
Current liabilities	$	10,728,629	14,425,109
Long-term liabilities		2,688,500	1,233,000
Other liabilities		63,674	50,895
Total liabilities		13,480,803	15,709,004
Capital stock		5,919,485	5,907,670
Capital surplus		3,253,687	3,253,687
Retained earnings		7,476,111	7,099,590
Other equity		(200,380)	(149,759)
Total equity		16,448,903	16,111,188
Total liabilities and equity	$	**29,929,706**	**31,820,192**

(Continued)

CONTINENTAL HOLDINGS CORPORATION
Notes to the Financial Statements

CONTINENTAL DEVELOPMENT CORPORATION
Statements of Comprehensive Income
For the years ended December 31, 2021 and 2020

Subject	2021	2020
Operating revenues	$ 6,975,571	5,723,216
Operating costs	(4,963,271)	(4,142,678)
Gross profit from operations	2,012,300	1,580,538
Operating expenses	(612,952)	(602,855)
Net operating income	1,399,348	977,683
Non-operating income and expenses	(111,282)	(22,784)
Income before tax	1,288,066	954,899
Income tax expenses	(107,406)	(68,624)
Net income	1,180,660	886,275
Other comprehensive loss	(57,225)	(108,225)
Total comprehensive income	**$ 1,123,435**	**778,050**

(Continued)

CONTINENTAL HOLDINGS CORPORATION
Notes to the Financial Statements

(13) Other disclosures:

(a) Information on significant transactions:

The following is the information on significant transactions required by the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" for the Company:

(i) Loans 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	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	Maximum amount of loans
													Item	Value		
0	CHC	HDEC	Other receivables	Yes	1,000,000	1,000,000	1,000,000	1.30%	2	-	Operation requirements	-	-	-	4,914,833	9,829,666
1	CEC	CEC HK	Other receivables	Yes	9,850	-	-	5%	2	-	Operation requirements	-	-	-	1,948,106	1,948,106
1	CEC	CIC	Other receivables	Yes	428,025	-	-	Taifx3+1%	2	-	Operation requirements	-	-	-	1,948,106	1,948,106
2	CDC	BANGSAR	Other receivables	Yes	205,316	197,253	165,373	7.90%	2	-	Land purchases and operation requirements	-	-	-	6,579,561	6,579,561
2	CDC	MEGA	Other receivables	Yes	822,261	789,968	577,932	7.65% ~7.90%	2	-	Land purchases and operation requirements	-	-	-	6,579,561	6,579,561
2	CDC	Grand River D. Limited	Other receivables	No	586,058	586,058	380,006	1.90% ~2.50%	2	-	Land purchases and operation requirements	-	-	-	6,579,561	6,579,561

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: $24,574,164 thousand ×40%=9,829,666 thousand

Maximum amount of loans provided to a single business enterprise is limited to 20% of net equity value:$24,574,164 thousand ×20%=4,914,833 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:

1) CEC:

Maximum amount of loans is limited to 40% of net equity value: $4,870,266 thousand × 40% ＝ 1,948,106 thousand

Maximum amount of loans provided to a single business enterprise is limited to 40% of net equity value: $4,870,266 thousand × 40% ＝ 1,948,106 thousand

2) CDC:

Maximum amount of loans is limited to 40% of net equity value: $16,448,903 thousand × 40% ＝ 6,579,561 thousand

Maximum amount of loans provided to a single business enterprise is limited to 40% of net equity value: $16,448,903 thousand × 40% ＝ 6,579,561 thousand

(Continued)

CONTINENTAL HOLDINGS CORPORATION
Notes to the Financial Statements

Note 2: 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'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										
0	CHC	CICI	2	98,296,656	487,281	467,024	467,024	-	1.90 %	98,296,656	Y	N	N
0	CHC	CEC	2	98,296,656	18,532,047	18,438,010	8,181,137	-	75.03 %	98,296,656	Y	N	N
0	CHC	HDEC	2	98,296,656	2,747,269	2,747,269	1,242,540	-	11.18 %	98,296,656	Y	N	N
1	CEC	CIC	2	9,740,532	42,802	41,520	-	-	0.85 %	9,740,532	N	N	N
1	CEC	CICI	2 and 5	14,610,798	3,883,794	3,722,343	3,722,343	-	76.43 %	29,221,596	N	N	N
1	CEC	CEC HK	2	9,740,532	293,600	-	-	-	- %	9,740,532	N	N	N
1	CEC	CDC	4 and 7	9,740,532	1,071,000	1,071,000	964,979	-	21.99 %	9,740,532	N	N	N
1	CEC	Fu Tsu Construction Co., Ltd.	5	14,610,798	9,358,000	9,358,000	9,358,000	-	192.15 %	29,221,596	N	N	N
2	CDC	CDC US	2	32,897,806	142,675	138,400	133,473	-	0.84 %	32,897,806	N	N	N
2	CDC	CCD	2	32,897,806	1,415,000	1,415,000	1,180,000	-	8.60 %	32,897,806	N	N	N
2	CDC	BANGSAR	2 and 6	32,897,806	174,208	167,366	-	-	1.02 %	32,897,806	N	N	N
2	CDC	MEGA	2 and 6	32,897,806	423,745	411,048	334,167	-	2.50 %	32,897,806	N	N	N
2	CDC	950P	2 and 6	32,897,806	3,580,161	3,472,888	2,258,177	-	21.11 %	32,897,806	N	N	N
2	CDC	Fanlu	6	32,897,806	1,557,000	1,557,000	771,750	-	9.47 %	32,897,806	N	N	N
3	CCD	CDC	3	13,572,668	1,258,200	982,200	808,500	982,200	28.95 %	13,572,668	N	N	N
3	CCD	CDC	3 and 7	13,572,668	1,215,000	-	-	-	- %	13,572,668	N	N	N
4	HDEC	NSC	2	29,889,928	2,520,000	2,520,000	1,970,000	-	67.45 %	29,889,928	N	N	N
4	HDEC	PDC	2	29,889,928	1,327,000	1,295,000	163,000	-	34.66 %	29,889,928	N	N	N
4	HDEC	LHC	2 and 6	29,889,928	1,485,000	1,485,000	1,463,000	-	39.75 %	29,889,928	N	N	N
4	HDEC	LHC	2	29,889,928	5,071	5,071	5,071	-	0.14 %	29,889,928	N	N	N
4	HDEC	BWC	2 and 6	29,889,928	902,700	902,700	394,740	-	24.16 %	29,889,928	N	N	N
4	HDEC	CTCI-HDEC	6	29,889,928	343,000	343,000	343,000	-	9.18 %	29,889,928	N	N	N
4	HDEC	CEC	4 and 5	29,889,928	6,108,379	3,995,629	3,995,629	-	106.94 %	29,889,928	N	N	N

(Continued)

CONTINENTAL HOLDINGS CORPORATION
Notes to the Financial Statements

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: \$24,574,164 thousand × 4 = \$98,296,656 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: \$24,574,164 thousand × 4 = \$98,296,656 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 in the event of joint liability in joint ventures with other companies in the same industry: \$4,870,266 thousand × 6 = \$29,221,596 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: \$4,870,266 thousand × 3 = \$14,610,798 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: \$4,870,266 thousand × 2 = \$9,740,532 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: \$4,870,266 thousand × 2 = \$9,740,532 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: \$16,448,903 thousand × 2 = \$32,897,806 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: \$16,448,903 thousand × 2 = \$32,897,806 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: \$3,393,167 thousand × 4 = \$13,572,668 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: \$3,393,167 thousand × 4 = \$13,572,668 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: \$3,736,241 thousand × 8 = \$29,889,928 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: \$3,736,241 thousand × 8 = \$29,889,928 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.

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CONTINENTAL HOLDINGS CORPORATION
Notes to the Financial Statements

(iii) Securities held as of December 31, 2021 (excluding investment in subsidiaries, associates and joint ventures):

(In Thousands of New Taiwan Dollars)

Name of holder	Category and name of security	Relationship with company	Account name	Ending balance				Note
				Shares/Units (thousands)	Carrying value	Percentage of ownership (%)	Fair value	
CEC	Evergreen Steel Corp.	-	Non-current financial assets at fair value through other comprehensive income	25,645,907	1,410,525	6.11 %	1,410,525	
CEC	Xinrong Enterprise	-	Non-current financial assets at fair value through other comprehensive income	12,256,347	659,980	8.45 %	659,980	
CEC	Metro Consulting Service Ltd.	-	Non-current financial assets at fair value through other comprehensive income	300,000	2,363	6.00 %	2,363	
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	606,305	10.00 %	606,305	

(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	CTCI HDEC	Investment for using equity method	-	Associate	24,500,000	232,352	49,000,000	490,000	-	-	-	-	73,500,000	761,316
CEC	CIC	Investment for using equity method	-	Subsidiary	52,780,940	(294,723)	11,200,000	309,568	-	-	-	-	63,980,940	12,232

(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				Factors for determining price	Purpose of acquisition and current condition	Others
							Owner	Relationship with the Company	Date of transfer	Amount			
CDC	Land held for development	2021.11.15	959,177	95,918	THE AMBASSADOR HOTEL CO., LTD.	Non related party	-	-	-	-	Evaluation report	Real estate development	-

(Continued)

CONTINENTAL HOLDINGS CORPORATION
Notes to the Financial Statements

(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	Bountiful Journey	2021.01.19	N/A	Inventory held-for-sale, not applicable	688,000	688,000	Inventory held-for-sale, not applicable	Kai Tay Co., Ltd.	Not related party	Profit	Evaluation report	-
CDC	55 Timeless-Inventory	2021.02.24	N/A	Inventory held-for-sale, not applicable	342,000	342,000	Inventory held-for-sale, not applicable	Natural person	Not related party	Profit	Evaluation report	-
CDC	55 Timeless-Inventory	2021.07.29	N/A	Inventory held-for-sale, not applicable	348,396	348,396	Inventory held-for-sale, not applicable	Natural person	Not related party	Profit	Evaluation report	-
CDC	55 Timeless-Inventory	2021.11.05	N/A	Inventory held-for-sale, not applicable	343,008	68,628	Inventory held-for-sale, not applicable	Natural person	Not related party	Profit	Evaluation report	-

(vii) Related-party transactions for purchases and sales with amounts exceeding the lower of NT$300 million or 20% of the capital stock:

(In Thousands of New Taiwan Dollars)

			Transaction details				Transactions with terms different from others		Notes/Accounts receivable (payable)		
Name of company	Related party	Relationship	Purchase/Sale	Amount	Percentage of total purchases/sales	Payment terms	Unit price	Payment terms	Ending balance	Percentage of total notes/accounts receivable (payable)	Note
CEC	CDC	Related party of the Company	Construction contract	(1,740,781)	10.22%	Same as those in general transactions	-	-	525,400	11.91%	Note 1
CDC	CEC	Related party of the Company	Construction project	1,740,781	33.19%	Same as those in general transactions	-	-	(525,400)	30.35%	
HDEC	LHC	Parent and subsidiary	Construction contract	(605,432)	27.10%	Same as those in general transactions	-	-	110,451	33.29%	Note 1
LHC	HDEC	Parent and subsidiary	Construction project	605,432	58.18%	Same as those in general transactions	-	-	(110,451)	54.72%	
HDEC	NSC	Parent and subsidiary	Construction contract	(275,028)	12.31%	Same as those in general transactions	-	-	103,965	31.34%	Note 1
NSC	HDEC	Parent and subsidiary	Construction project	275,028	52.23%	Same as those in general transactions	-	-	(103,965)	92.44%	
SDC	HDEC	Parent and subsidiary	Construction contract	(132,705)	98.19%	Same as those in general transactions	-	-	15,101	92.97%	Note 1
HDEC	SDC	Parent and subsidiary	Construction project	132,705	7.14%	Same as those in general transactions	-	-	(15,101)	4.79%	

(Continued)

CONTINENTAL HOLDINGS CORPORATION
Notes to the 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)	
HDEC	PDC	Parent and subsidiary	Construction contract	(159,174)	7.12%	Same as those in general transactions	-	-	26,536	8.00%	Note 1
PDC	HDEC	Parent and subsidiary	Construction project	159,174	77.98%	Same as those in general transactions	-	-	(26,536)	97.54%	

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.

(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 525,400	2.88	-	-	200,463	-
HDEC	LHC	Parent and subsidiary	Accounts receivable 110,451	2.83	-	-	11,184	-
HDEC	NSC	Parent and subsidiary	Accounts receivable 103,965	4.37	-	-	95,416	-

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

(ix) Trading in derivative instruments:

As of December 31, 2021, subsidiaries of the Company entered into forward exchange agreement with an amount of USD399 thousand and hedging instruments in amounts of USD8,183 thousand, JPY3,218 thousand, and EUR94 thousand.

(b) Information on investees:

The following table provides investee' information as of December 31, 2021:

(In Thousands of New Taiwan Dollars)

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Balance as of December 31, 2021			Net income (losses) of investee	Share of profits/losses of investee	Note
				December 31, 2021	December 31, 2020	Shares (thousands)	Percentage of ownership	Carrying value			
CHC	CEC	Taiwan	Comprehensive construction	6,884,583	6,884,584	440,061,971	99.99%(Note 2)	4,813,900	404,821	402,928	Note 1
CHC	CDC	Taiwan	Housing and building development and lease	6,220,745	6,220,748	591,948,387	99.99%(Note 2)	16,448,900	1,180,660	1,180,660	Note 1
CHC	HDEC	Taiwan	Construction of underground pipeline	2,360,365	2,360,366	229,999,900	99.99%(Note 2)	3,736,240	466,838	466,838	Note 1
CHC	CCLC	Taiwan	Management consulting	10,000	-	1,000,000	100.00 %	10,000	-	-	-
CEC	CICI	India	Construction projects	497,839	497,839	73,981,492	100.00 %	(3,155)	(3,364)	Disclosure not required	-

(Continued)

CONTINENTAL HOLDINGS CORPORATION
Notes to the Financial Statements

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Balance as of December 31, 2021			Net income (losses) of investee	Share of profits/losses of investee	Note
				December 31, 2021	December 31, 2020	Shares (thousands)	Percentage of ownership	Carrying value			
CEC	CIC	British Virgin Islands	Investment and holding	2,035,897	1,726,329	63,980,940	100.00 %	12,232	(11,474)	Disclosure not required	-
CEC	CIMY	Malaysia	Construction projects	179,257	207,177	22,340,476	85.14 %	5,999	(182)	〃	-
CEC	CEC HK	Hong Kong	Construction projects	10,815	384	3,000,000	100.00 %	871	(2,158)	〃	-
CIC	NCC	British Virgin Islands	Investment and holding	1,640,006	1,640,006	10,353	45.47 %	-	(5,238)	〃	-
CDC	BANGSAR	Malaysia	Real estate development	4,444	4,444	600,000	60.00 %	2,406	(3,124)	〃	-
CDC	CCD	Taiwan	Housing and building development and lease	976,539	976,539	47,114,655	80.65 %	2,736,590	14,782	〃	-
CDC	Fanlu	Taiwan	Housing and building development and lease	741,646	566,646	74,164,562	35.00 %	652,611	(101,638)	〃	-
CDC	MEGA	Malaysia	Real estate development	7,375	7,375	825,000	55.00 %	(14,842)	(30,248)	〃	-
CDC	CDC US	The U.S.	Investment	2,075,837	2,061,080	5,500,000	100.00 %	1,818,941	(36,326)	〃	-
CDC	CDCAM	Malaysia	Management consulting	7,524	7,524	1,000,000	100.00 %	7,555	386	〃	-
HDEC	SDC	Taiwan	Construction projects	49,600	49,600	3,000,000	100.00 %	39,015	2,794	〃	-
HDEC	NSC	Taiwan	Pollution protection and other environmental sanitation	1,112,000	1,112,000	166,000,000	100.00 %	2,814,668	193,883	〃	-
HDEC	BWC	Taiwan	Pollution protection and other environmental sanitation	362,100	362,100	37,740,000	51.00 %	433,769	73,972	〃	-
HDEC	PDC	Taiwan	Pollution protection and other environmental sanitation	340,000	340,000	34,000,000	100.00 %	367,658	28,527	〃	-
HDEC	CTCI-HDEC	Taiwan	Pollution protection and other environmental sanitation	735,000	245,000	73,500,000	49.00 %	761,317	79,519	〃	-
HDEC	LHC	Taiwan	Pollution protection and other environmental sanitation	550,000	412,500	56,100,000	55.00 %	617,593	92,400	〃	-
CCLC	CEC	Taiwan	Comprehensive construction	1	-	100	- %(Note 4)	1	404,821	〃	-
CCLC	CDC	Taiwan	Housing and building development and lease	3	-	100	- %(Note 4)	3	1,180,660	〃	-
CCLC	HDEC	Taiwan	Construction of underground pipeline	1	-	100	- %(Note 5)	1	466,838	〃	-

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 ration is 99.99998% at the end of the period.

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

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

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

(c) Information on investment in mainland China:None

(Continued)

CONTINENTAL HOLDINGS CORPORATION
Notes to the Financial Statements

(d) Major shareholders:

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

(14) Segment information:

Please refer to the consolidated financial statements.

CONTINENTAL HOLDINGS CORPORATION

Statement of changes in investments accounted for using the equity method

For the year ended December 31, 2021

(Expressed in thousands of New Taiwan Dollars)

	Beginning Balance		Addition		Decrease									Ending Balance		Market Value or Net Assets Value		
Name of investee	Shares	Amount	Shares	Amount	Shares	Amount	Cash dividends	Gain on investment (loss)	Cumulative translation adjustment	Unrealized gain or loss on financial instrument	Actuarial on losses defined benefit plans	Unrealized gain or loss on cash flow hedge	Retained earnings	Shares (in thousand)	Amount	Unit price	Total amount	Collateral
CEC	440,062,071	$ 4,194,626	-	-	100	1	-	402,928	(51,352)	281,789	(16,821)	(722)	3,453	440,061,971	4,813,900	11.07	4,870,266	None
CDC	590,766,953	16,111,188	1,181,534	-	100	3	(785,720)	1,180,660	(52,508)	-	(6,604)	1,887	-	591,948,387	16,448,900	27.79	16,448,903	〃
HDEC	197,800,000	3,269,403	32,200,000	-	100	1	-	466,838	-	-	-	-	-	229,999,900	3,736,240	16.24	3,736,241	〃
CCL	-	-	1,000,000	10,000	-	-	-	-	-	-	-	-	-	1,000,000	10,000	10.00	10,000	〃
		$ 23,575,217		10,000		5	(785,720)	2,050,426	(103,860)	281,789	(23,425)	1,165	3,453		25,009,040			

CONTINENTAL HOLDINGS CORPORATION

Statement of operating revenue

For the year ended December 31, 2021

(Expressed in thousands of New Taiwan Dollars)

Item	Description	Amount
Investment revenues		$ 2,050,426

Statement of administrative expenses

Item	Description	Amount
Salary and wages expenses		$ 56,475
Remuneration of directors		13,488
Rent expense		687
Supplies expense		124
Traveling expense		174
Postage expense		528
Repair and maintenance expense		77
Advertisement expense		726
Insurance expense		4,878
Taxes expense		49
Depreciation expense		13,906
Meal expense		832
Employee benefit		679
Training expense		349
Building management fee		2,521
Computer maintenance fee		397
Service fee		11,101
Other expenses (include utilities expense)		4,573
		$ 111,564

CONTINENTAL HOLDINGS CORPORATION

Statement of bonds payable

December 31, 2021

(Expressed in thousands of New Taiwan Dollars)

Please refer to Note 6(g) for bonds payable information.