



CONTINENTAL 欣陸投控
HOLDINGS CORPORATION

Continental Holdings Corporation

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2021 Second Quarter Earnings Conference

August 9, 2021

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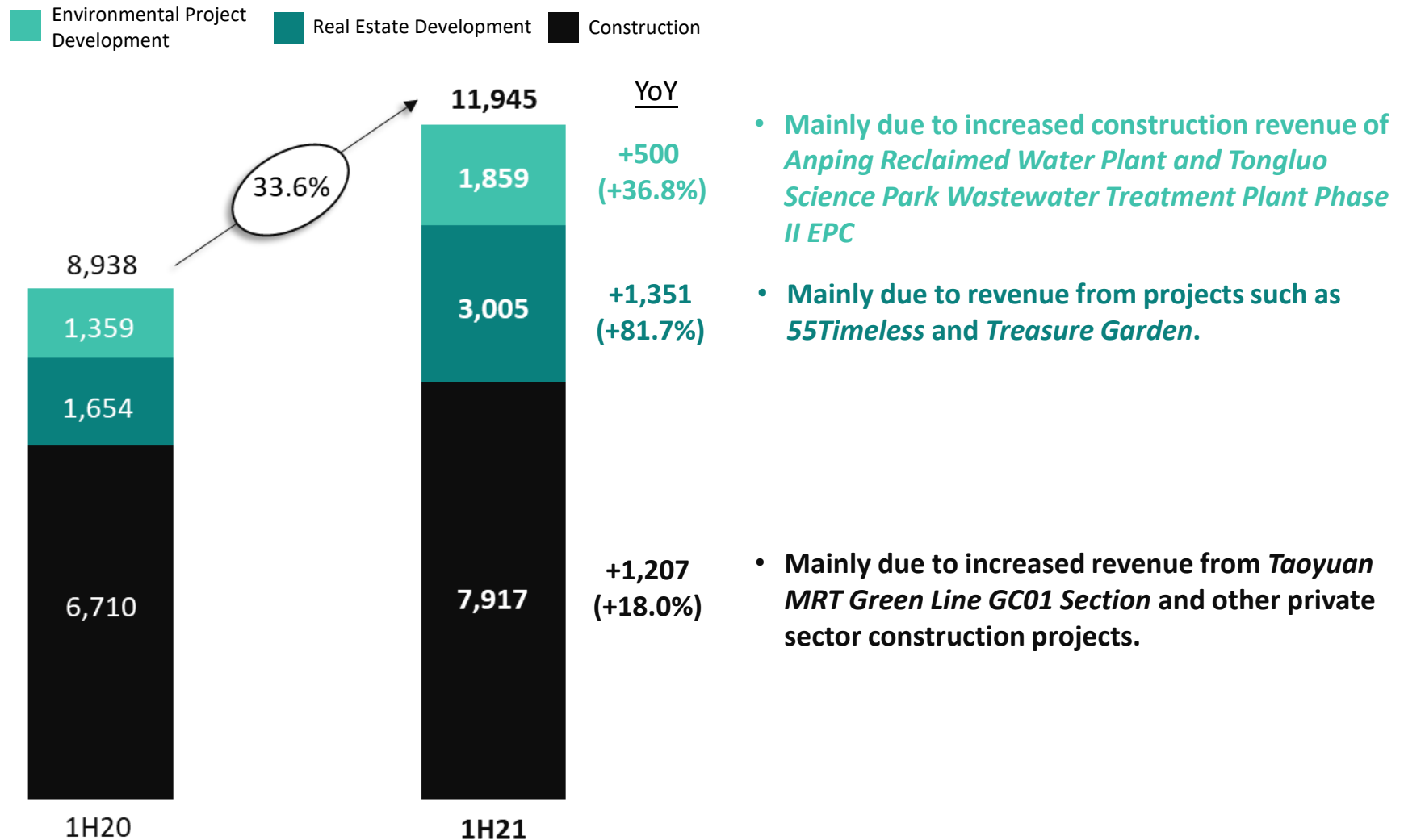
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Year-over-year growth for revenue and net profit

<i>Selected Items from Income Statement</i> <i>(In NT\$ millions unless otherwise noted)</i>	1H21	1H20	YoY
Total Revenue	11,945	8,938	+33.6%
Gross Profit	1,750	1,450	+20.7%
Gross Margin	14.6%	16.2%	-1.6 ppt
Operating Expense	689	674	+2.1%
Operating Profit	1,061	775	+36.8%
Operating Profit Margin	8.9%	8.7%	+0.2 ppt
Non-Ops	(98)	(0.4)	+23,651%
Net Profit, attributable to owners of parent	803	742	+8.2%
Net Profit Margin	6.7%	8.3%	-1.6 ppt
EPS (NT\$)	0.98	0.90	+8.2%

Revenue growth across all segments in 1H

Consolidated Revenues of CHC and each Business Segments (NT\$ M)

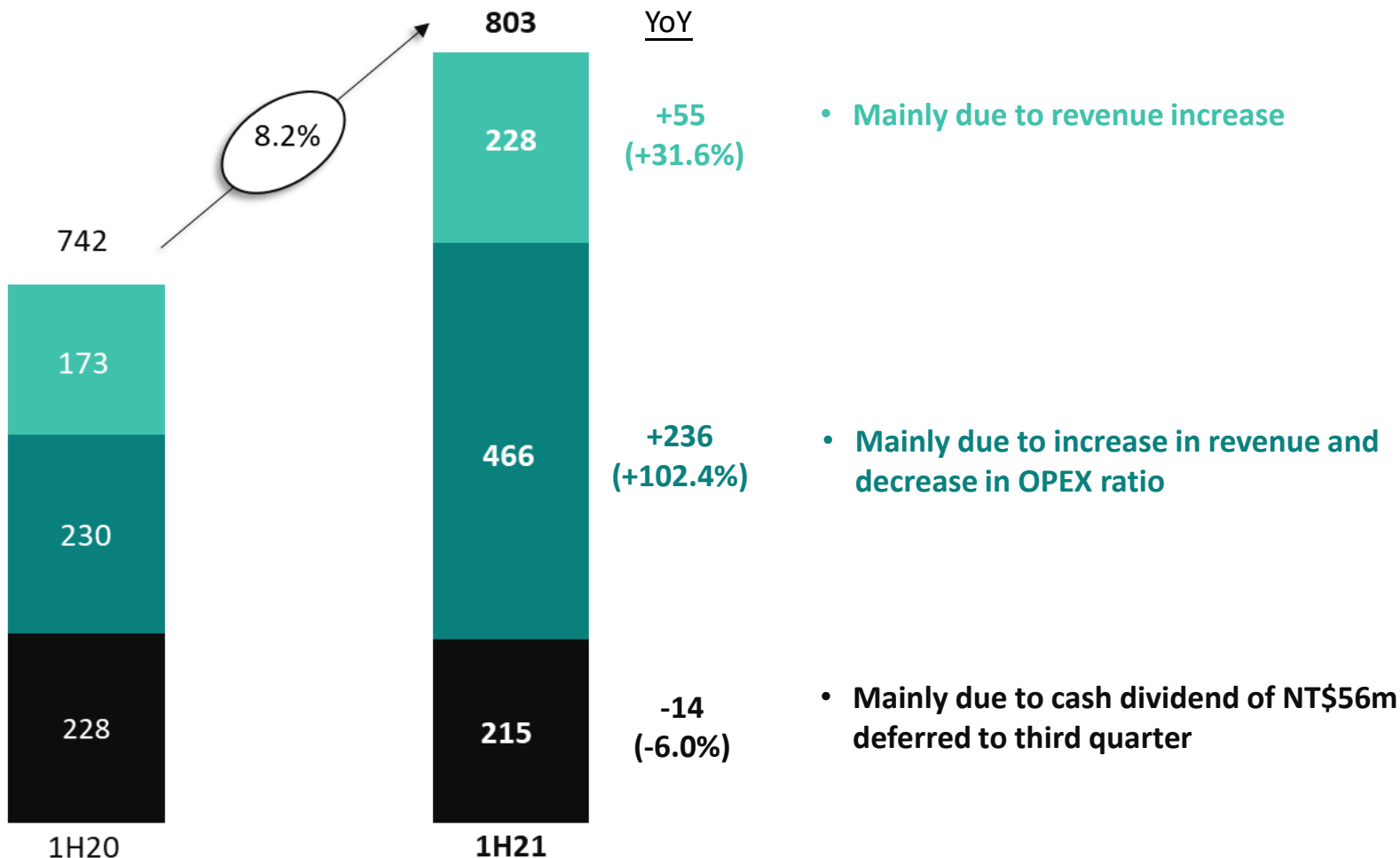


*Consolidated revenue of three business segments do not add up to CHC's consolidated revenue because of eliminations

Significant profit growth in Real Estate Development and Environmental Project Development segments in 1H

Net Profit of CHC and each Business Segments (NT\$ M)

Environmental Project Development Real Estate Development Construction



* Net profit denotes net profit attributable to owners of parent;
Net profit of three business segments do not add up to CHC's net profit because of eliminations

Strong balance sheet

<i>Selected Items from Balance Sheet (NT\$ M)</i>	2021.6.30		2020.12.31		2020.6.30	
	Amount	%	Amount	%	Amount	%
Cash and Cash Equivalents	4,846	7.0	4,512	6.7	3,809	5.8
Current Contract Assets	3,832	5.5	3,892	5.8	4,362	6.6
Account Receivable, Net	2,442	3.5	2,036	3.0	1,896	2.9
Inventories	28,474	41.0	28,363	42.2	29,174	44.1
Property, Plant and Equipment	2,416	3.5	2,346	3.5	2,248	3.4
Investment Property, Net	10,431	15.0	10,193	15.2	9,896	15.0
Long-term Accounts Receivables	6,748	9.7	5,808	8.6	5,392	8.2
Total Assets	69,459	100	67,155	100	66,147	100
Short-term Interest-bearing Loans	12,296	17.7	12,811	19.1	10,314	15.6
Current Contract Liabilities	8,225	11.8	8,121	12.1	7,491	11.3
Accounts and Notes Payable	5,521	7.9	5,784	8.6	5,514	8.3
Long-term Interest-bearing Loans	11,380	16.4	9,099	13.5	11,666	17.6
Total Liabilities	42,327	60.9	40,235	59.9	40,155	60.7
Total Equity	27,132	39.1	26,920	40.1	25,992	39.3

Solid backlog of three business segments

Construction

Backlog
NT\$67.0B

4.8x of 2020 Revenues

- **+NT\$0.3B** QoQ, mainly due to the newly awarded civil and building construction projects in Taiwan this quarter

Real Estate Development

Signed contracts to close
NT\$16.7B

2.9x of 2020 Revenues

- **+NT\$0.4B** QoQ, mainly due to new signed contracts from domestic completed projects and domestic/overseas pre-sell projects

Environmental Project Development

Contracts on hand
NT\$39.8B

12.8x of 2020 Revenues

- **-NT\$0.7B** QoQ, mainly due to lack of new contract bids this quarter

Note:

1. Backlog and contract numbers are as of end of second quarter, 2021; Revenues numbers are 2020 consolidated revenues
2. Contracts on hand for Environmental Project Development business are calculated based on contract terms and project status. Actual recognized revenue amount may vary based on final execution for each project.

Pipeline of Real Estate Development Business

Project Name	Location	Type	Value ¹ (NT\$)	Completion Date ²				
				2021	2022	2023	2024	2025
Sold Out Bountiful Journey/ Hotel by My Humble House Group	Taipei	Residence/ Hotel	8.20B (Residence/Retail only)	V				
Sold Out Drawing the Dream Life	New Taipei	Residence	2.84B		V			
Timeless and Modern Expression	Taipei	Residence	2.52B		V			
Sold Out Tianjin Street Project	Taipei	Residence	2.23B			V		
Arranging New Asia Bay/ The Hotel Nikko ³	Kaohsiung	Residence/ Hotel	3.50B (Residence only)			V		
Huiguo 101	Taichung	Residence/ Office	4.12B (Residence only)				V	
Dakeng Project	Taichung	Township Community	3.54B				V	
Sensuous Garden	Taipei	Residence	4.50B					V
Republic Building Project	Taipei	Residence	4.31B					V
SERIF/ THE LINE Hotel ⁴	San Francisco, CA, USA	Residence/ Hotel	US\$240M (Residence only)	V				
Capri by Fraser ⁴	Kuala Lumpur, Malaysia	Serviced Apartment	-	V				
Bangsar Project ⁴	Kuala Lumpur, Malaysia	Residence	MY\$170M				V	

- (1) Total project value amounts for JV and overseas projects; otherwise project value amounts attributable to CDC. (2) Actual project value amounts for sold-out projects; otherwise estimated project value amounts.
- Scheduled completion date is the estimated earliest year to recognize part or all of the project revenues.
- Owned by JV between Daiwa House Group (65%) and CDC (35%)
- Owned by CDC subsidiaries; 54.08%, 55%, and 60% stake in the project companies for SERIF/The LINE Hotel, Capri by Fraser, and Bangsar Project, respectively.

Strategically and financially synergistic portfolio poised for growth

Construction

- Profitability over revenue
- Participate in the civil portion of the emerging energy related projects
- Use technology to enhance safety and to improve productivity

Real Estate Development

- Diversify into other cities beyond Taipei/Taichung
- Cultivate more project in the commercial sector (office, etc.)

Environmental Project Development

- Well poised to gain more reclaimed water projects
- Ally with partners to enter incinerator business
- Leverage existing anaerobic digestion capabilities to enter bio-mass energy business

Recap of recent major events

- **FY2020 cash dividend of NT\$1.4 per share paid (2021/07/30)**
- **Resolutions and elections resolved in the 2021 AGM included (2021/07/30):**
 - Amending Article of Incorporation to include the floor of the payout ratio
 - Electing the 5th board of directors, of which female directors account for 43% of total directors
 - Approving lifting non-competition restriction for the 5th board of directors

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