



CONTINENTAL 欣陸投控
HOLDINGS CORPORATION

Continental Holdings Corporation

3703.TT

2021 Fourth Quarter Earnings Conference

March 16th, 2022

Disclaimer Statement

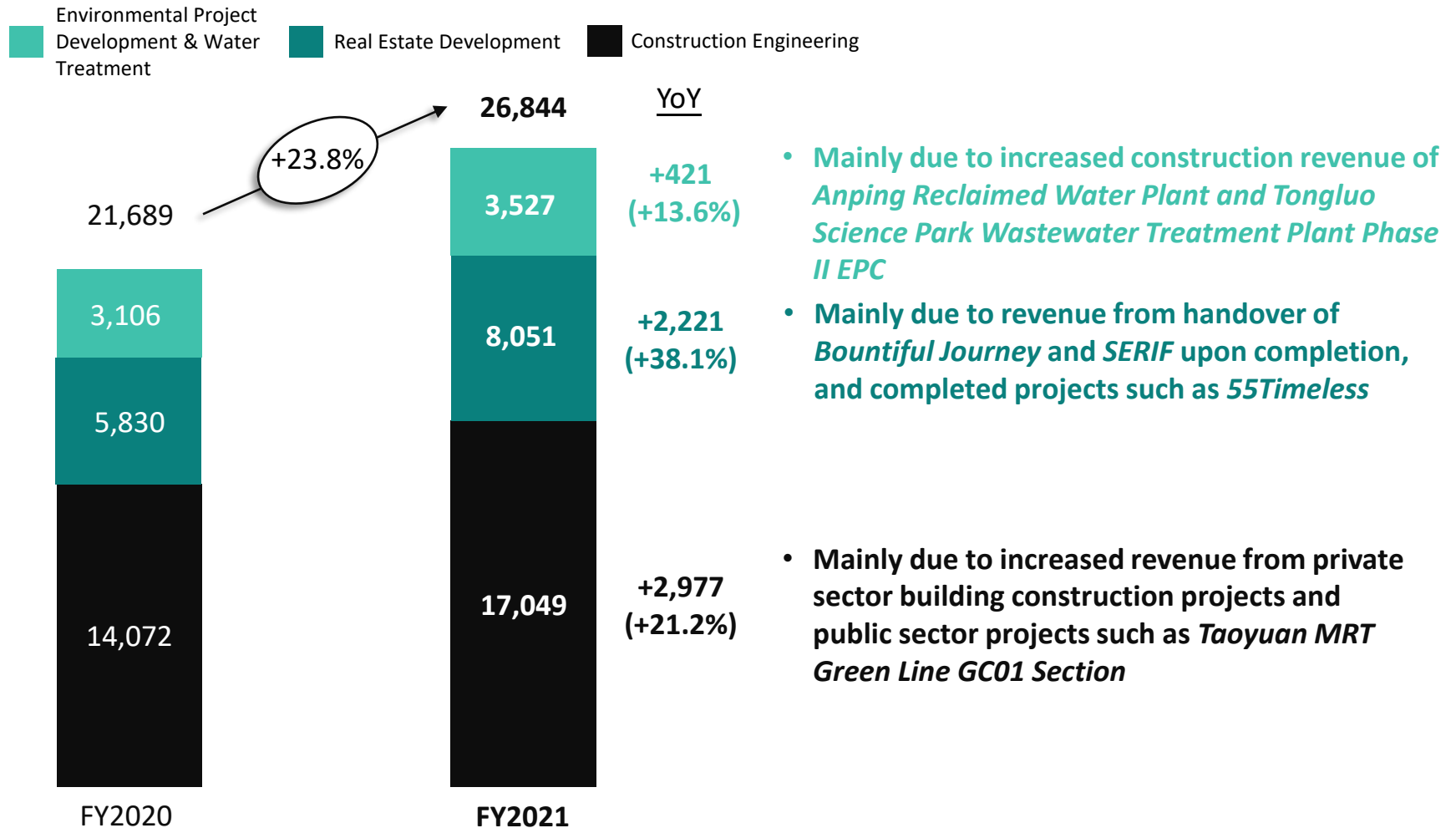
- This presentation and release contain “forward-looking statements” which may include projections of future results of operations, financial condition or business prospects based on our own information and other sources.
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Significant Year-over-Year Growth for Revenue and Profit in 2021

<i>Selected Items from Income Statement</i> <i>(In NT\$ millions unless otherwise noted)</i>	FY2021	FY2020	YoY
Total Revenue	26,844	21,689	+23.8%
Gross Profit	3,890	3,292	+18.2%
Gross Margin	14.5%	15.2%	-0.7 ppt
Operating Expense	1,586	1,530	+3.7%
Operating Profit	2,303	1,762	+30.7%
Operating Profit Margin	8.6%	8.1%	+0.5 ppt
Non-Ops	(117)	(41)	+185.6%
Net Profit, attributable to owners of parent	1,826	1,539	+18.7%
Net Profit Margin	6.8%	7.1%	-0.3 ppt
EPS (NT\$)	2.22	1.87	+18.7%

Double Digit Growth in Revenue across all Three Segments in 2021

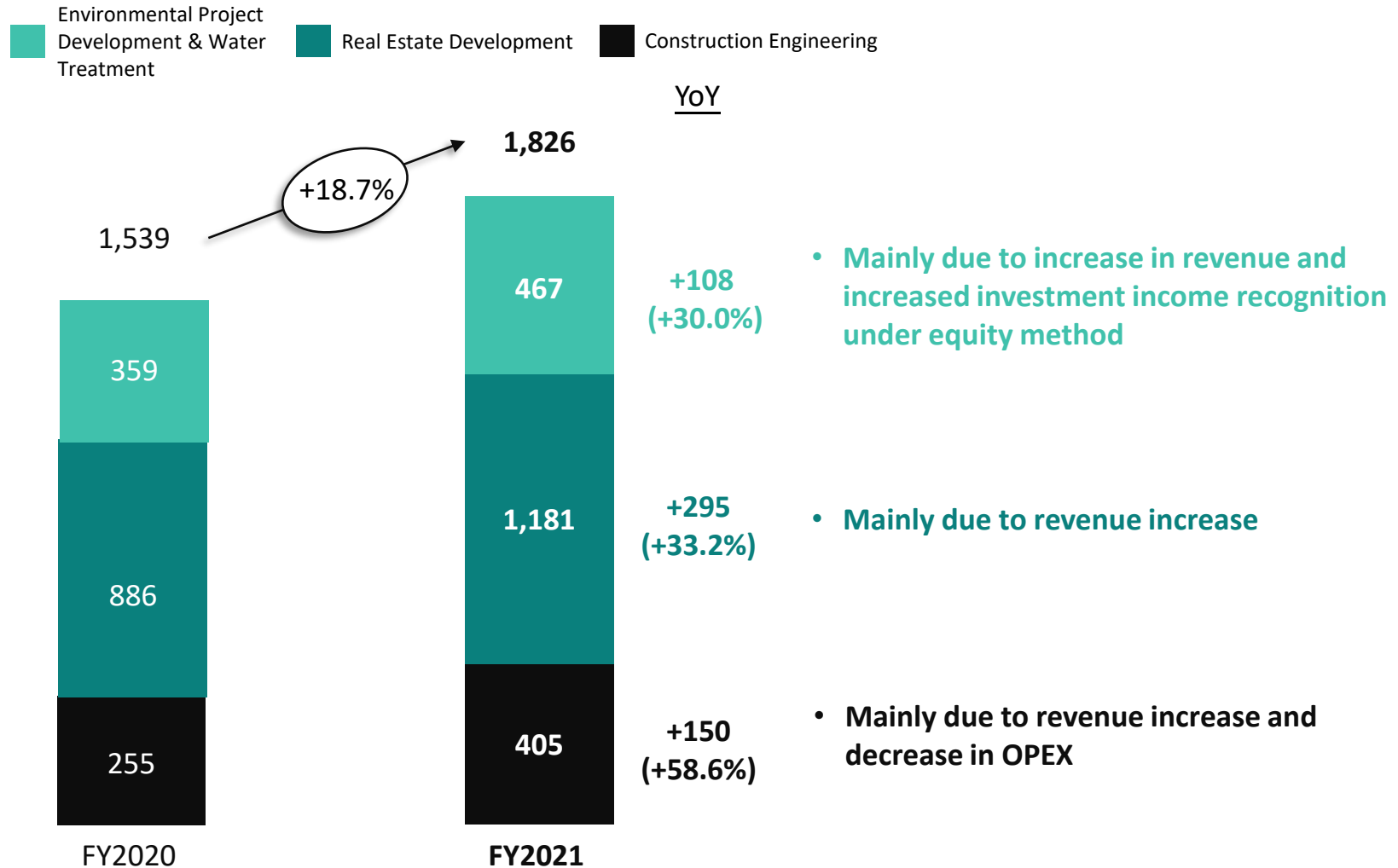
Consolidated Revenues of CHC and each Business Segments (NT\$ M)



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

Significant Net Profit Growth across all Three Segments in 2021

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



* 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>	2021.12.31		2021.9.30		2020.12.31	
	Amount	%	Amount	%	Amount	%
Cash and Cash Equivalents	5,207	7.4	4,131	6.0	4,512	6.7
Current Contract Assets	4,344	6.2	4,042	5.8	3,892	5.8
Account Receivable, Net	3,153	4.5	2,239	3.2	2,036	3.0
Inventories	28,517	40.5	28,899	41.8	28,363	42.2
Property, Plant and Equipment	4,379	6.2	2,491	3.6	2,346	3.5
Investment Property, Net	8,683	12.3	10,432	15.1	10,193	15.2
Long-term Accounts Receivables	5,443	7.7	7,017	10.1	5,808	8.6
Total Assets	70,389	100	69,174	100	67,155	100
Short-term Interest-bearing Loans	11,379	16.2	12,240	17.7	12,811	19.1
Current Contract Liabilities	8,760	12.5	8,460	12.2	8,121	12.1
Accounts and Notes Payable	6,990	9.9	5,230	7.6	5,784	8.6
Long-term Interest-bearing Loans	11,979	17.0	12,434	18.0	9,099	13.5
Total Liabilities	42,611	60.5	42,347	61.2	40,235	59.9
Total Equity	27,778	39.5	26,827	38.8	26,920	40.1

Solid Backlog of Three Business Segments

Construction Engineering

Backlog

NT\$74.0B

4.3x of 2021 Revenues

- **+NT\$10.5B** QoQ, mainly due to newly acquired *Taipei MRT North Circular Line CF680C Section* project

Real Estate Development

Revenue backlog

NT\$18.6B

2.3x of 2021 Revenues

- **-NT\$0.3B** QoQ, mainly due to handover of *Bountiful Journey* and *SERIF* upon completion

Environmental Project Development & Water Treatment

Contracts on hand

NT\$38.1B

10.8x of 2021 Revenues

- **-NT\$1.0B** QoQ, mainly due to no new contract bid win

Note:

1. Backlog and contract numbers are as of end of December, 2021; Revenues denotes each business segment's 2021 consolidated revenues
2. Revenue backlog for Real Estate Development Business includes signed contracts to close and revenues to be recognized under percentage of completion method
3. Contracts on hand for Environmental Project Development & Water Treatment Business are calculated based on contract terms and project status. Actual recognized revenue amount may vary based on final execution for each project.

Major Projects for Construction Engineering Business in 2021



Civil Construction - MRT

Taipei MRT Wanda Line (CQ840)

Taipei MRT Wanda Line (CQ850A)

Taoyuan MRT Green Line (GC01)

Taoyuan MRT Green Line (GC03)



Civil Construction - Railway

Tainan Railway Underground (C211)

Tainan Railway Underground (C214)



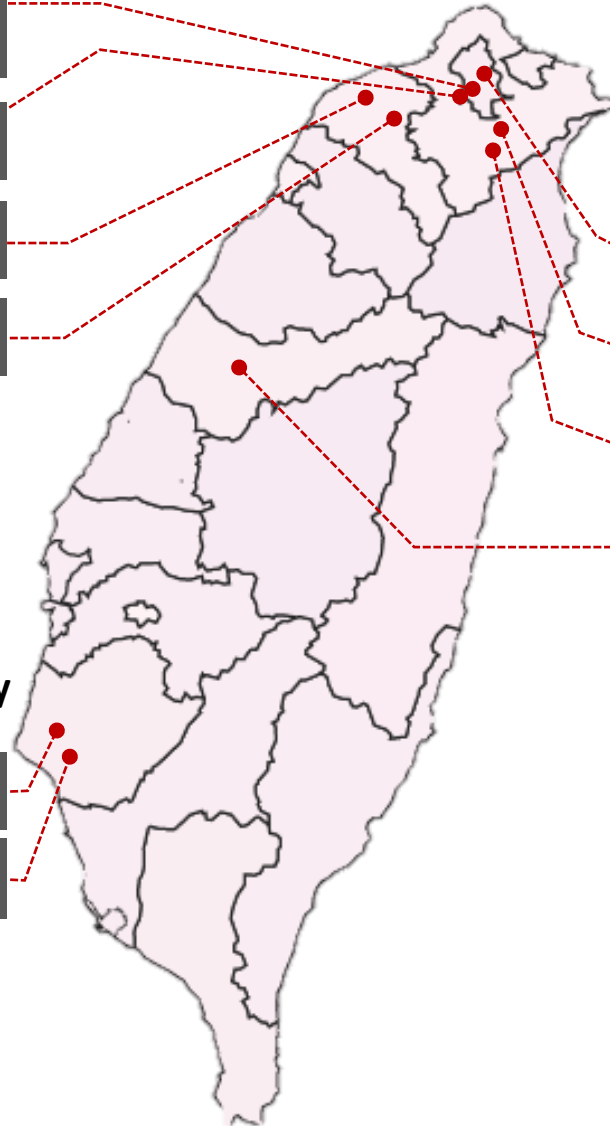
Building Construction

Bountiful Journey (Residence & Hotel)

Nangang Depot (Public Housing)

Guangci (Public Housing)

CMP Midtown (Residence)



Residential Project Pipeline of Real Estate Development Business – Completion and Pre-sell

Project Name	Location	Type	Residence Value ¹ (NT\$)	Begin Recognition in 2021	Estimated Timeline ²			
					2022	2023	2024	2025
Bountiful Journey	Sold out Taipei	Residence/ Hotel (Humble Boutique Hotel)	8.20B (Retail included)	V				
SERIF ³	San Francisco, CA, USA	Residence/ Hotel (The LINE Hotel)	US\$240M	V				
Drawing the Dream Life	Sold out New Taipei	Residence	2.84B		V			
Timeless and Modern Expression	Sold out Taipei	Residence	2.39B			V		
Tianjin Street Project	Sold out Taipei	Residence	2.23B			V		
Arranging New Asia Bay ⁴	Sold out Kaohsiung	Residence/ Hotel (Hotel Nikko)	3.51B			V		
Sensuous Garden	Taipei	Residence/ Hotel (Hyatt Centric)	4.62B					V
Prologue Eternal	Taipei	Residence	4.50B					V
Belle Époque	Taichung	Residence/ Office	4.70B					V
Bangsar Project ³	Kuala Lumpur, Malaysia	Residence	MY\$170M					V

- (1) Total residence value amounts for JV and subsidiary-owned projects; otherwise residence value amounts attributable to CDC. (2) Actual amounts for sold-out projects; otherwise estimated residence value amounts.
- Denotes the year in which the project would start handover and recognize revenues.
- Owned by CDC subsidiaries; 54.08% and 60% stake in the project companies for SERIF and Bangsar Project, respectively. Bangsar project is expected to launch pre-sell in 2022.
- Owned by JV between Daiwa House Group (65%) and CDC (35%)

Residential Project Pipeline of Real Estate Development Business – In Development

Project Name	Location	Type	Residence Value (NT\$)	Estimated Timeline*
				2026-2028
Dakeng Project	Taichung	Township Community	In Development	V
Ambassador Hotel Kaohsiung Project	Kaohsiung	In Development	In Development	V
Taichung Intercontinental Section Project	Taichung	In Development	In Development	V
Taipei Tonghua Section Project	Taipei	In Development	In Development	V

* Denotes the year in which the project would start handover and recognize revenues

Hotel Project Pipeline of Real Estate Development Business

Hotel Products



Humble Boutique Hotel¹
Taipei, Taiwan
Scheduled opening in 2Q22



The LINE Hotel²
San Francisco, CA, USA
Scheduled opening in 2H22



Capri by Fraser²
Kuala Lumpur, Malaysia
In operation


























Hotel Nikko³
Kaohsiung, Taiwan
Scheduled opening in 2023

Estimated total value NT\$22.0B

1. Leased to My Humble House Group for rental income
2. Owned by CDC subsidiaries and managed by THE LINE Hotel and Capri by Fraser respectively. CDC owns 54.08% and 55% stake in each project company respectively.
3. Owned by JV between Daiwa House Group (65%) and CDC (35%) and managed by Hotel Nikko

Current Projects of Environmental Project Development & Water Treatment Business

Project	Location	Type	Duration	Current Status		Category		
				Under Construction	In Operation	Municipal Wastewater	Reclaimed Water	Industrial Water
Danshui Area Sewerage System	Taipei	BOT	2005 – 40					
Fengshan River Wastewater Reclamation and Reuse	Kaohsiung	BTO	2016 – 33					
Puding Area Sewerage System	Taoyuan	BOT	2016 – 56					
Chungli Area Sewerage System	Taoyuan	BOT	2016 – 56					
Linhai Wastewater Treatment Plant and Reclaimed Water	Kaohsiung	BTO	2018 – 36					
Tongluo Science Park Wastewater Treatment Plant Phase II	Miaoli	EPC	2020 – 23					
Anping Reclaimed Water Plant	Tainan	DBO	2020 – 37	 (Reclaimed Water)	 (Wastewater)			

Recap of Recent Business Development and Major Events

- **Business development**

- Acquired *Taipei MRT North Circular Line CF680C Section* project (2021/12)
- Co-development and land purchase of Ambassador Hotel Kaohsiung for reconstruction of urban unsafe and old building (2021/11/15); land purchase of Intercontinental Section, Beitun District, Taichung (2022/1/6); co-development and land purchase of Tonghua Section, Daan District, Taipei (2022/1/21)
- Completed construction of Linhai Wastewater Treatment Plant and Reclaimed Water BTO project, now in operation (2021/12)

- **Company organization structure change**

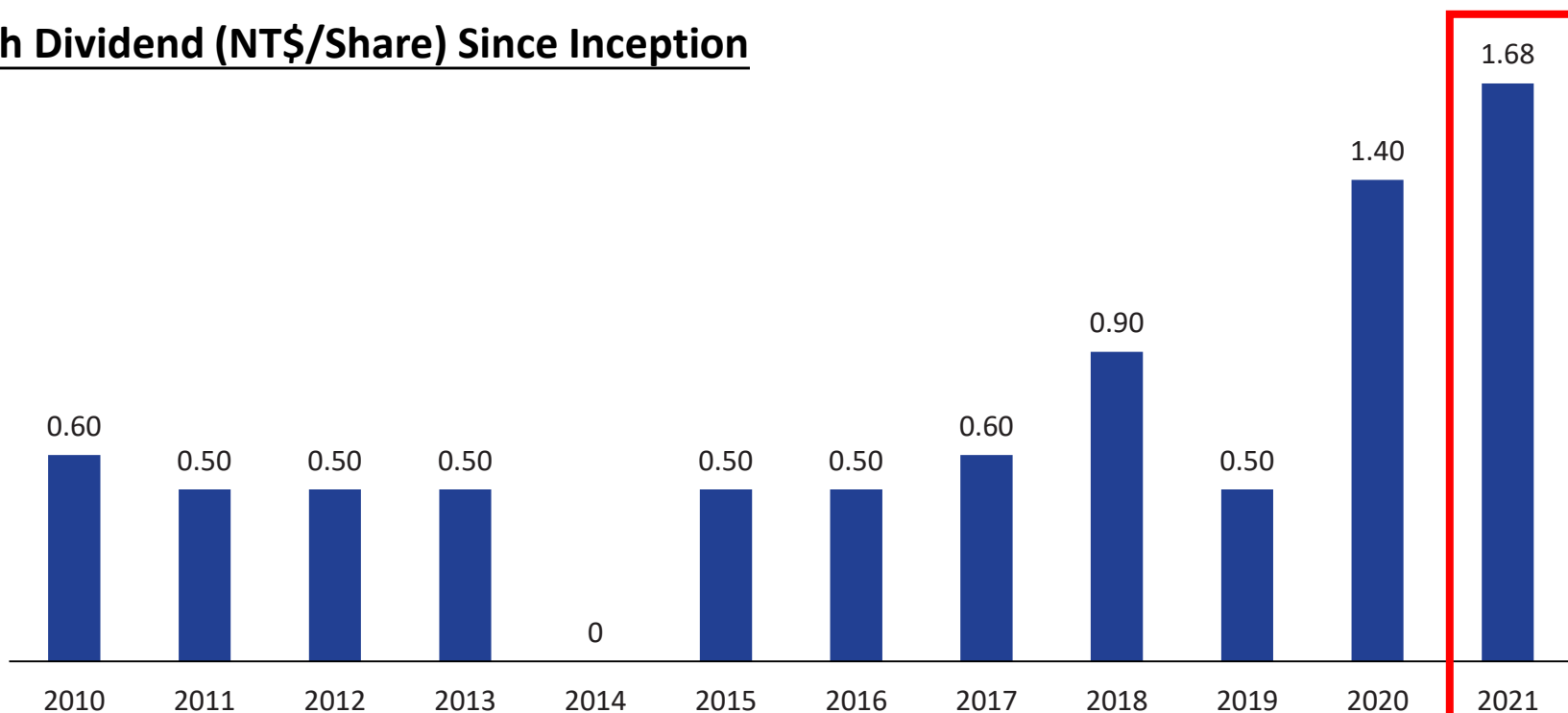
At the end of 2021, CHC initiated an organization and management structure change to centralize the management on three directly owned subsidiaries. These subsidiaries will no longer set up a Board of Directors but a single institutional director and supervisor instead. The flat organization and more centralized management structure will strengthen CHC's supervision and management authority and responsibility towards subsidiaries, simplify the hierarchy level for supervision, management, and decision-making towards subsidiaries, and empower each subsidiary's management team in business operations in order to enhance its accountability.

- **Board resolutions (2022/3/15)**

- Cash dividend of \$1.68/share for fiscal 2021
- Convene of 2022 Annual Shareholders' Meeting on June 9th, with the following items to be discussed:
 - 1) Amendment to "Articles of Incorporation"
 - 2) Amendment to "Procedures for Asset Acquisition and Disposal"

Cash dividend of \$1.68/share for FY2021, new record high since inception

CHC Cash Dividend (NT\$/Share) Since Inception



	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Net Profit (NT\$ M)	931	984	1,147	920	(980)	573	529	788	1,942	97	1,539	1,826
Payout Ratio ¹	54%	43%	37%	91%	-	72%	78%	63%	38%	424%	75%	76%
Dividend Yield ²	4.7%	4.6%	4.5%	4.2%	-	4.6%	4.3%	4.5%	5.2%	3.7%	5.1%	7.1%

1. CHC also distributed stock dividend in 2013.

2. Calculated based on the closing prices of ex-div days, except for 2021 which is calculated based on closing price on March 15th, 2022.

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