



CONTINENTAL 欣陸投控
HOLDINGS CORPORATION

Continental Holdings Corporation

3703.TT

2022 Third Quarter Earnings Conference

November 2nd, 2022

Disclaimer Statement

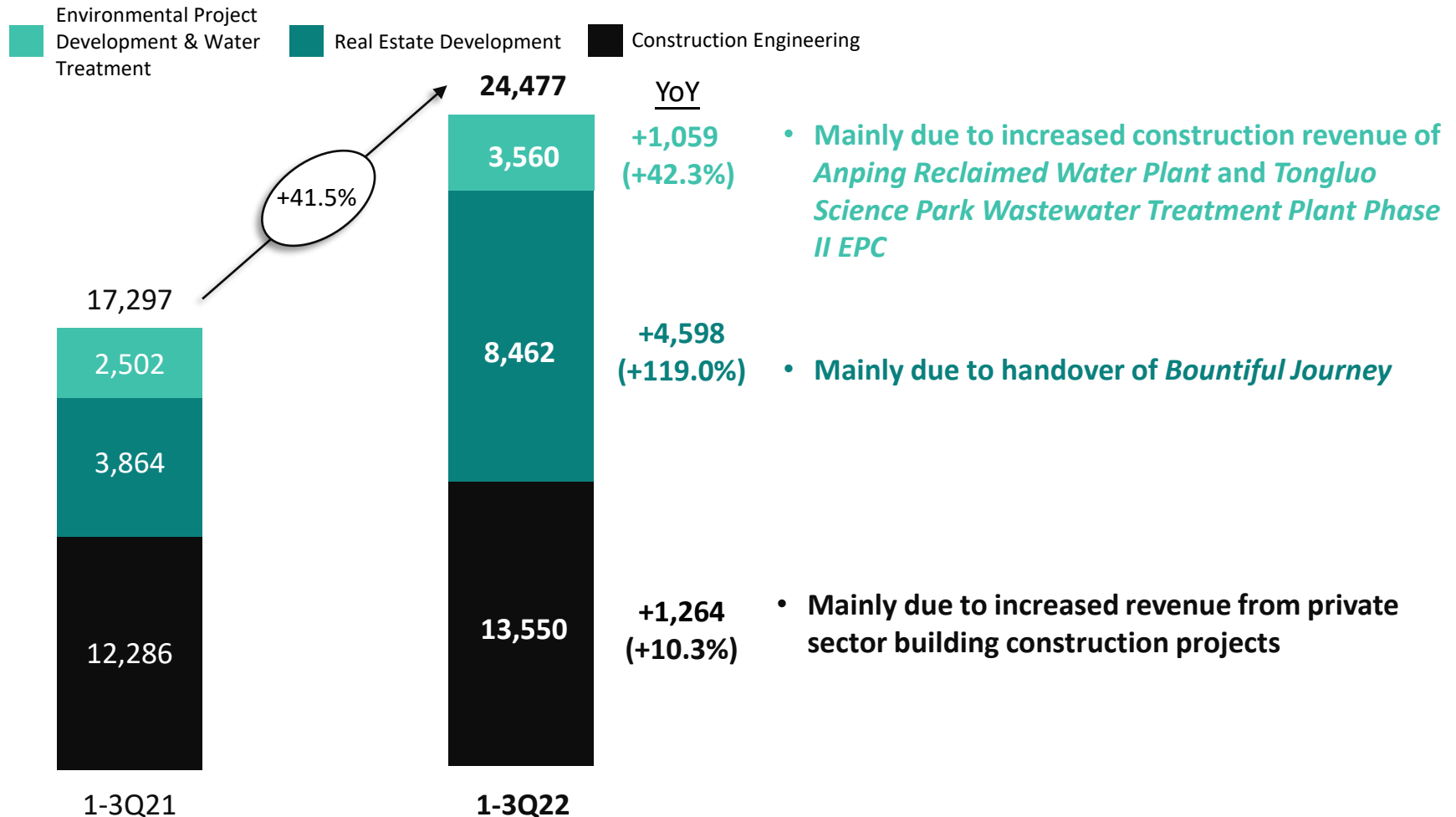
- This presentation and release contain “forward-looking statements” which may include projections of future results of operations, financial condition or business prospects based on our own information and other sources.
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Significant Growth in Revenue and Gross Margin Drives Net Profit to a New High for First Quarter through Third Quarter

| <i>Selected Items from Income Statement</i> <i>(In NT\$ millions unless otherwise noted)</i> | 1-3Q22 | 1-3Q21 | YoY |
|---|---------------|---------------|-----------------|
| Total Revenue | 24,477 | 17,297 | +41.5% |
| Gross Profit | 4,146 | 2,355 | +76.1% |
| Gross Margin | 16.9% | 13.6% | +3.3 ppt |
| Operating Expense | 1,236 | 1,006 | +22.8% |
| Operating Profit | 2,910 | 1,349 | +115.8% |
| Operating Profit Margin | 11.9% | 7.8% | +4.1 ppt |
| Non-Ops | (125) | (99) | +26.5% |
| Net Income, attributable to owners of parent | 2,645 | 991 | +167.0% |
| Net Margin | 10.8% | 5.7% | +5.1 ppt |
| EPS (NT\$) | 3.21 | 1.20 | +167.0% |

Revenue Growth across all Three Segments in 1-3Q

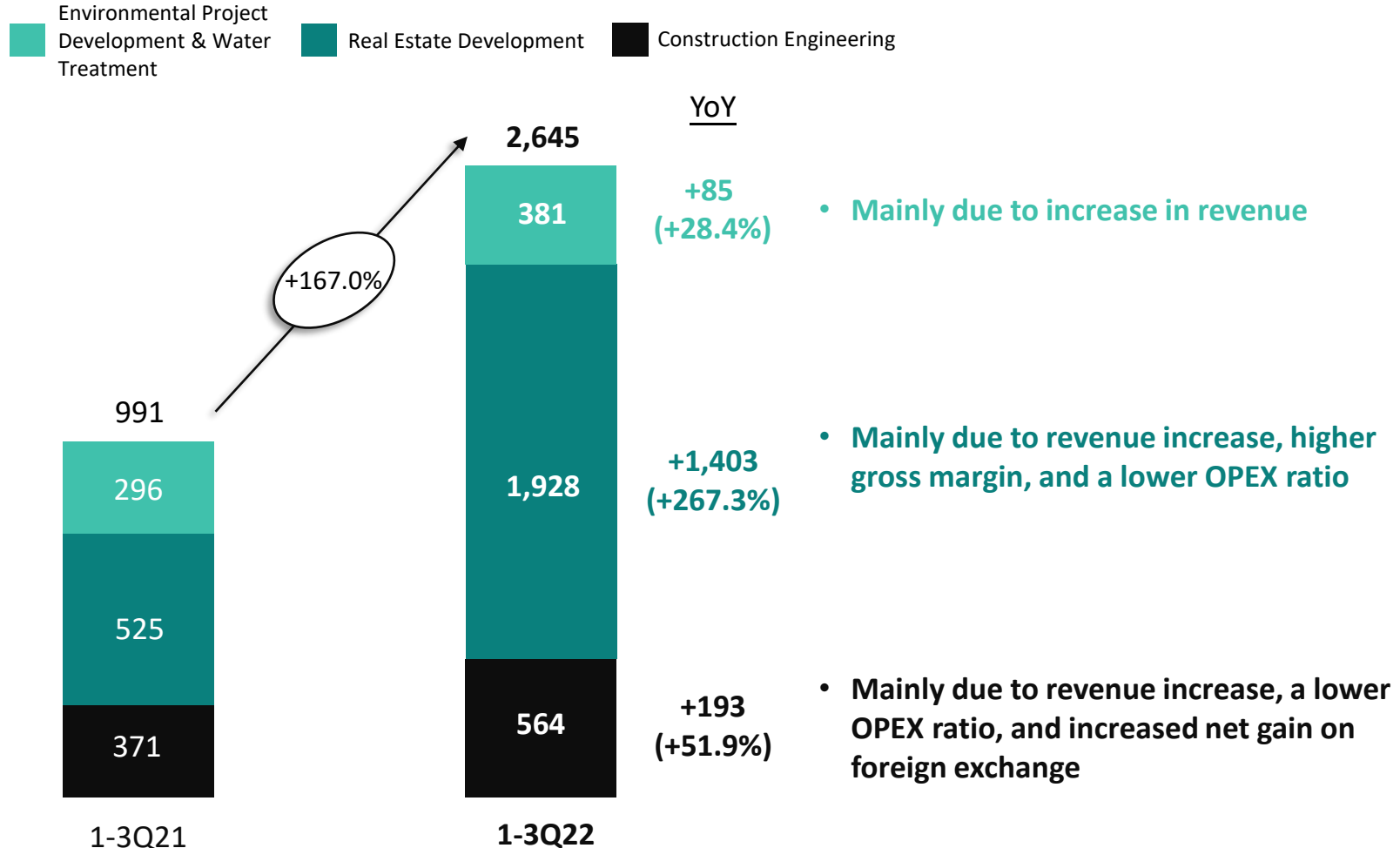
Consolidated Revenues of CHC and each Business Segment (NT\$ M)



*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 1-3Q

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



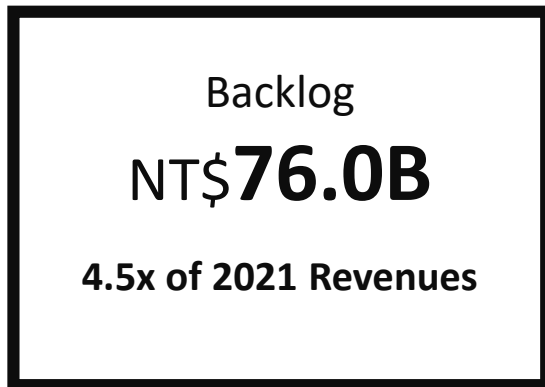
* Net profit denotes net profit attributable to owners of parent. Net profit of three business segments do not add up to CHC's net profit because of eliminations, as well as OPEX, non-op, and tax for CHC standalone.

Strong Balance Sheet

| <i>Selected Items from Balance Sheet (NT\$ M)</i> | 2022.9.30 | | 2021.12.31 | | 2021.9.30 | |
|---|---------------|-------------|---------------|-------------|---------------|-------------|
| | Amount | % | Amount | % | Amount | % |
| Cash and Cash Equivalents | 9,175 | 12.3 | 5,207 | 7.4 | 4,131 | 6.0 |
| Current Contract Assets | 5,510 | 7.4 | 4,344 | 6.2 | 4,042 | 5.8 |
| Account Receivable, Net | 1,572 | 2.1 | 3,153 | 4.5 | 2,239 | 3.2 |
| Inventories | 28,477 | 38.2 | 28,517 | 40.5 | 28,899 | 41.8 |
| Property, Plant and Equipment | 4,330 | 5.8 | 4,379 | 6.2 | 2,491 | 3.6 |
| Investment Property, Net | 8,661 | 11.6 | 8,684 | 12.3 | 10,432 | 15.1 |
| Long-term Accounts Receivables | 5,871 | 7.9 | 5,443 | 7.7 | 7,017 | 10.1 |
| Total Assets | 74,566 | 100 | 70,390 | 100 | 69,174 | 100 |
| Short-term Interest-bearing Loans | 15,408 | 20.7 | 11,379 | 16.2 | 12,240 | 17.7 |
| Current Contract Liabilities | 7,820 | 10.5 | 8,760 | 12.4 | 8,460 | 12.2 |
| Accounts and Notes Payable | 5,921 | 7.9 | 6,990 | 9.9 | 5,230 | 7.6 |
| Long-term Interest-bearing Loans | 12,132 | 16.3 | 11,979 | 17.0 | 12,434 | 18.0 |
| Total Liabilities | 45,086 | 60.5 | 42,611 | 60.5 | 42,347 | 61.2 |
| Total Equity | 29,481 | 39.5 | 27,778 | 39.5 | 26,827 | 38.8 |

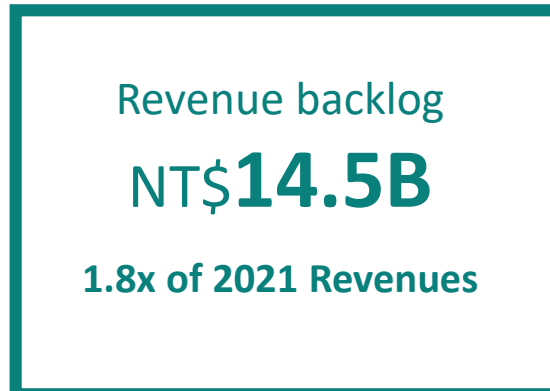
Solid Backlog of Three Business Segments

Construction Engineering



- **+NT\$2.2B** QoQ, mainly due to newly acquired private sector building construction projects

Real Estate Development



- **-NT\$0.1B** QoQ, mainly due to handover of completed projects

Environmental Project Development & Water Treatment



- **-NT\$1.3B** QoQ, mainly due to no new contract bid win

Note:

1. Backlog and contract numbers are as of end of September, 2022; 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.

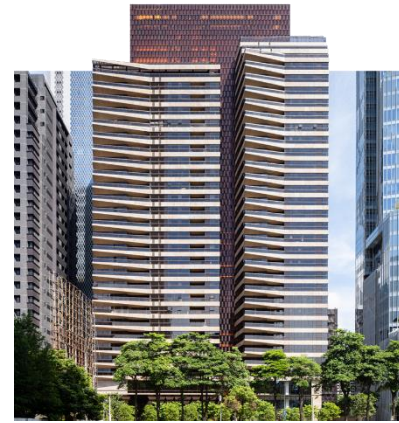
Residential Project Pipeline – Completion



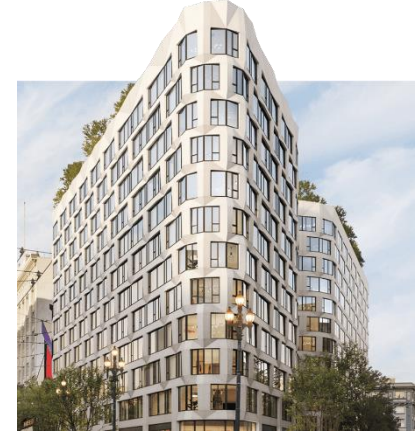
55 Timeless
Taipei City



Treasure Garden
Taichung City



La Bella Vita
Taichung City



SERIF*
San Francisco, CA, USA

Total domestic/overseas completed housing available for sale: ~ NT\$11.0B

*The complex building consists of residential housing on the east side (SERIF) and a hotel on the west side, with retail spaces on the ground level. The project is owned by CDC subsidiary which CDC holds 54.08% stake.

Residential Project Pipeline – 2022~2025

| Project Name | Location | Type | Residence Value ¹ (NT\$) | Estimated Timeline ² | | | |
|--|------------|------------------------------------|--|---------------------------------|------|------|------|
| | | | | 2022 | 2023 | 2024 | 2025 |
| 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 ³ 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 |

- (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 JV between Daiwa House Group (65%) and CDC (35%)

Residential Project Pipeline – beyond 2026

| Location | Land Lot | Geographical Location |
|-----------------|---|---|
| Taipei City | Tonghua Section, Daan District | Near <i>MRT Xinyi Anhe Station</i> |
| | Yaxiang Section, Xinyi District | Current site for Taipei Children Welfare Center |
| New Taipei City | Jiangzicui Section, Banqiao District | Across <i>Siwei Park</i> |
| | Xinya Section, Banqiao District | Near <i>MRT Far Eastern Hospital Station</i> |
| Taichung City | Dagui Section, Beitun District | Located in <i>Dakeng Scenic Area</i> |
| | Intercontinental Section, Beitun District | Across <i>Ssu Chang Li Park</i> |
| Kaohsiung City | Houjin Section, Qianjin District | Current site for Ambassador Hotel Kaohsiung |
| Malaysia* | Bangsar District, Kuala Lumpur | Near <i>KL Sentral Station</i> |

*Owned by CDC subsidiary which CDC holds 60% stake.

This project is scheduled to launch pre-sell in 2023, with total value of MYR170 million, and is expected to begin recognition in 2026.

Commercial Project Pipeline of Real Estate Development Business



Humble Boutique Hotel¹
Taipei, Taiwan
In operation



The LINE Hotel²
San Francisco, CA, USA
Began operation on Sep. 30th



Capri by Fraser²
Kuala Lumpur, Malaysia
In operation



Hotel Nikko³
Kaohsiung, Taiwan
Scheduled opening in 2024

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.

Recap of Recent Business Development

- **Environmental Project Development & Water Treatment Business**
 - Acquired *Kaohsiung City Qiaotou Reclaimed Water BTO Project* (2022/10)
- **Real Estate Development Business**
 - Completed signing the *Government-Led Urban Regeneration Project of Taipei City Xinyi District Children Welfare Center* (2022/11)
- **Construction Engineering Business**
 - Acquired ~\$6.4B of new building construction projects (during the 3rd quarter)

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