



CONTINENTAL 欣陸投控
HOLDINGS CORPORATION

Continental Holdings Corporation

3703.TT

December 27th, 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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Company overview

Market Cap (As of 12/23/2022)

NT\$ 23.1B

Ultimate Parent's Shareholding
Montrion Corporation **50.05%**

FY2021
Consolidated Revenues
NT\$26.8B

FY2021 Net Profit/EPS (NT\$/Share)
NT\$1.83B/\$2.22
(Second highest in history)

BVPS (As of 9/30/2022)
NT\$31.8

Revenues/Investment Income Breakdown by Business



Construction
Engineering

57% / 20%



Real Estate
Development

30% / 57%



Environmental Project
Development &
Water Treatment

13% / 23%

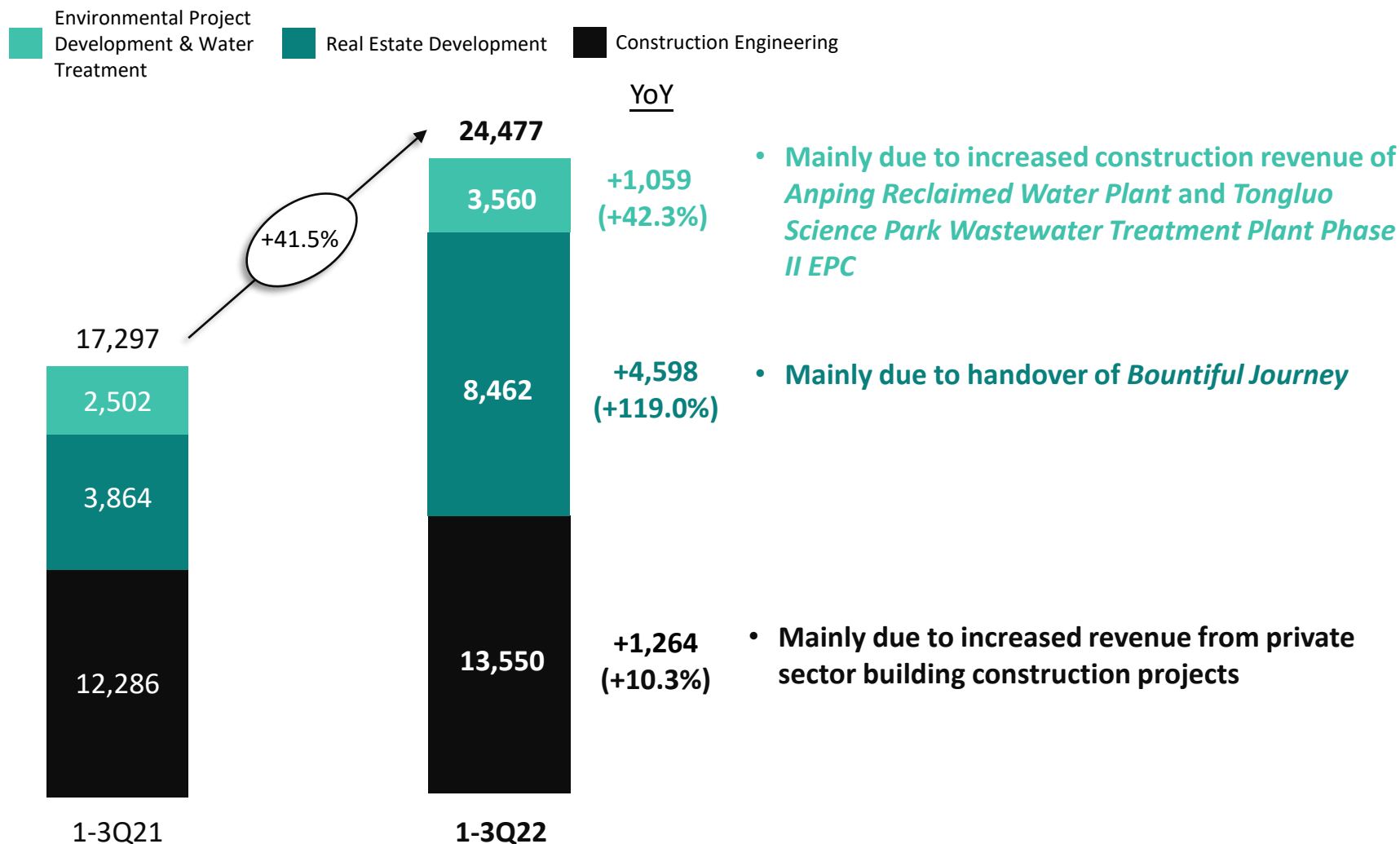
Note: Breakdown in FY2021

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

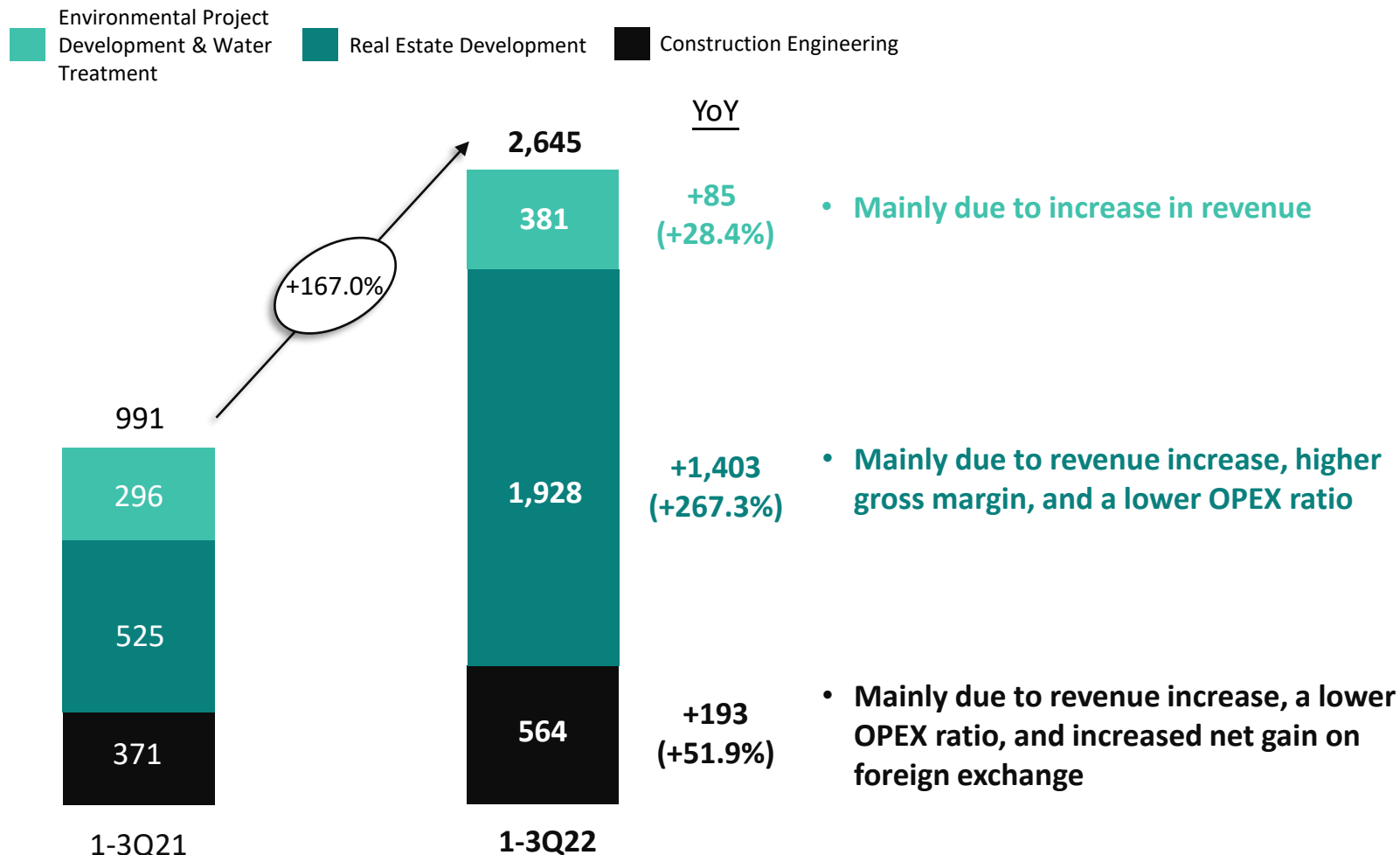
Consolidated Revenues of CHC and each Business Segment (NT\$ M)



* 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

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)
 - Completed signing the reconstruction of *Dazhi Commercial Building* for office purpose (2022/11)
- **Construction Engineering Business**
 - Acquired ~\$6.4B of new building construction projects (during the 3rd quarter)

Solid Backlog of Three Business Segments

Construction Engineering

Backlog

NT\$76.0B

4.5x of 2021 Revenues

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

Real Estate Development

Revenue backlog

NT\$14.5B

1.8x of 2021 Revenues

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

Environmental Project Development & Water Treatment

Contracts on hand

NT\$36.1B

10.2x of 2021 Revenues

- **-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.

Major Projects in Progress for Construction Engineering Business Include Rail Transport and Building Constructions



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)

2022 Major Projects for Construction Engineering Business



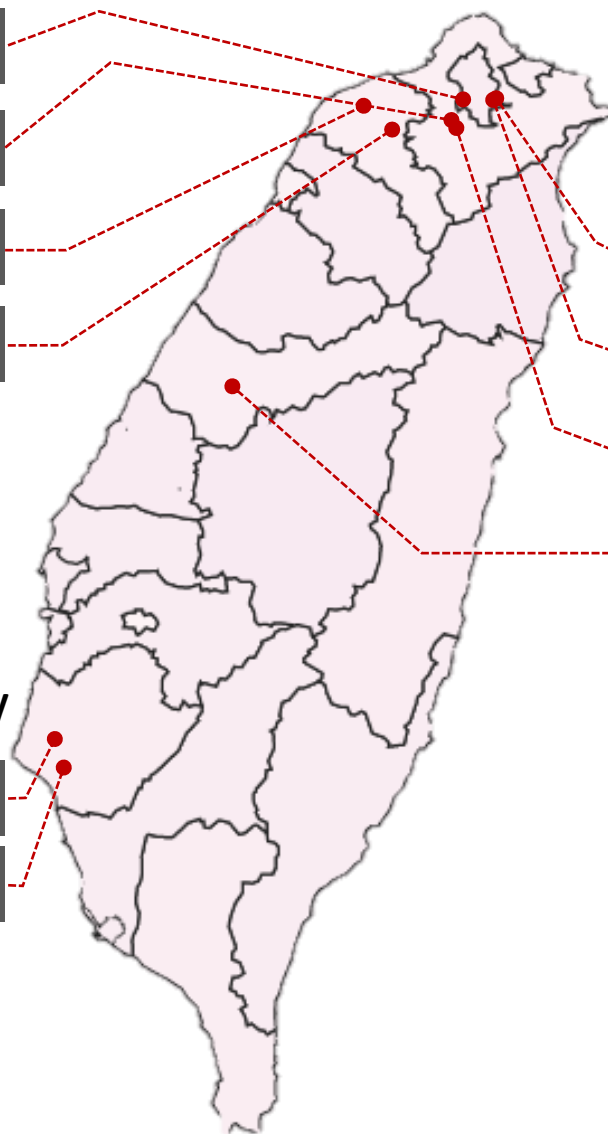
Building Construction

Nangang Depot (Public Housing)

Xinyi A7 Project (Hotel and Retail)

NexGen (Residence)

CMP Midtown (Residence)



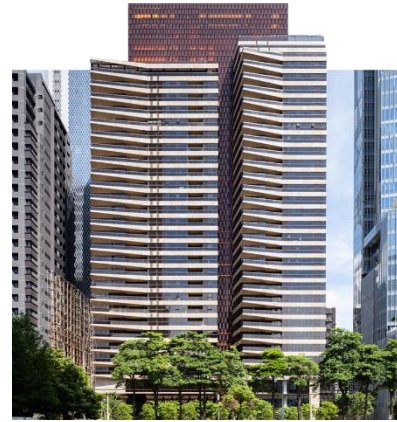
Residential Project Pipeline – Completion



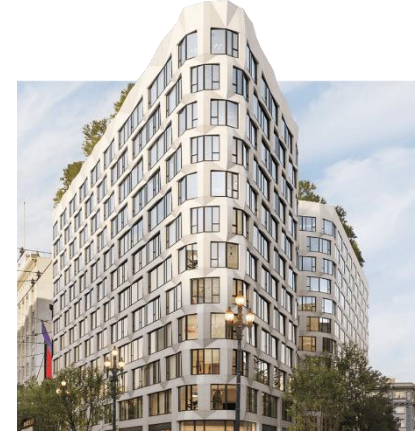
55 Timeless
Taipei City



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
Sold out Drawing the Dream Life	New Taipei	Residence	2.84B	V			
Sold out Timeless and Modern Expression	Taipei	Residence	2.39B		V		
Sold out Tianjin Street Project	Taipei	Residence	2.23B			V	
Sold out Arranging New Asia Bay ³	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 (14 th Redevelopment Zone)	Across <i>Ssu Chang Li Park</i>
Kaohsiung City	Houjin Section, Qianjin District	Current site for <i>Ambassador Hotel Kaohsiung</i>
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 MYR \$170 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
In operation



Capri by Fraser²
Kuala Lumpur,
Malaysia
In operation


















Hotel Nikko³
Kaohsiung, Taiwan
Scheduled opening in 2024



Dazhi Commercial Building⁴
Taipei, Taiwan
Planning for reconstruction
into office building

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.
4. Dazhi Commercial Building is owned by CDC Commercial Development Corporation (CCD), a subsidiary of CDC which CDC owns 80.65% stake. CDC and CCD has signed joint development contract to reconstruct the building for office purpose.

Current Projects of Environmental Project Development & Water Treatment Business

Category	Project	Location	Contract Type	Duration	Current Status	
					Under Construction	In Operation
Water Treatment	Danshui Area Sewerage System	New 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)
	Qiaotou Reclaimed Water Plant	Kaohsiung	BTO	2022 – 40	 (Reclaimed Water)	 (Wastewater)

3703.TW

欣陸投控 

Continental Holdings Corporation

<https://www.continental-holdings.com>

ir@continental-holdings.com

+886-2-2700-4509