



CONTINENTAL 欣陸投控
HOLDINGS CORPORATION

Continental Holdings Corporation

3703.TT

2023 Second Quarter Earnings Conference

August 2nd, 2023

Disclaimer Statement

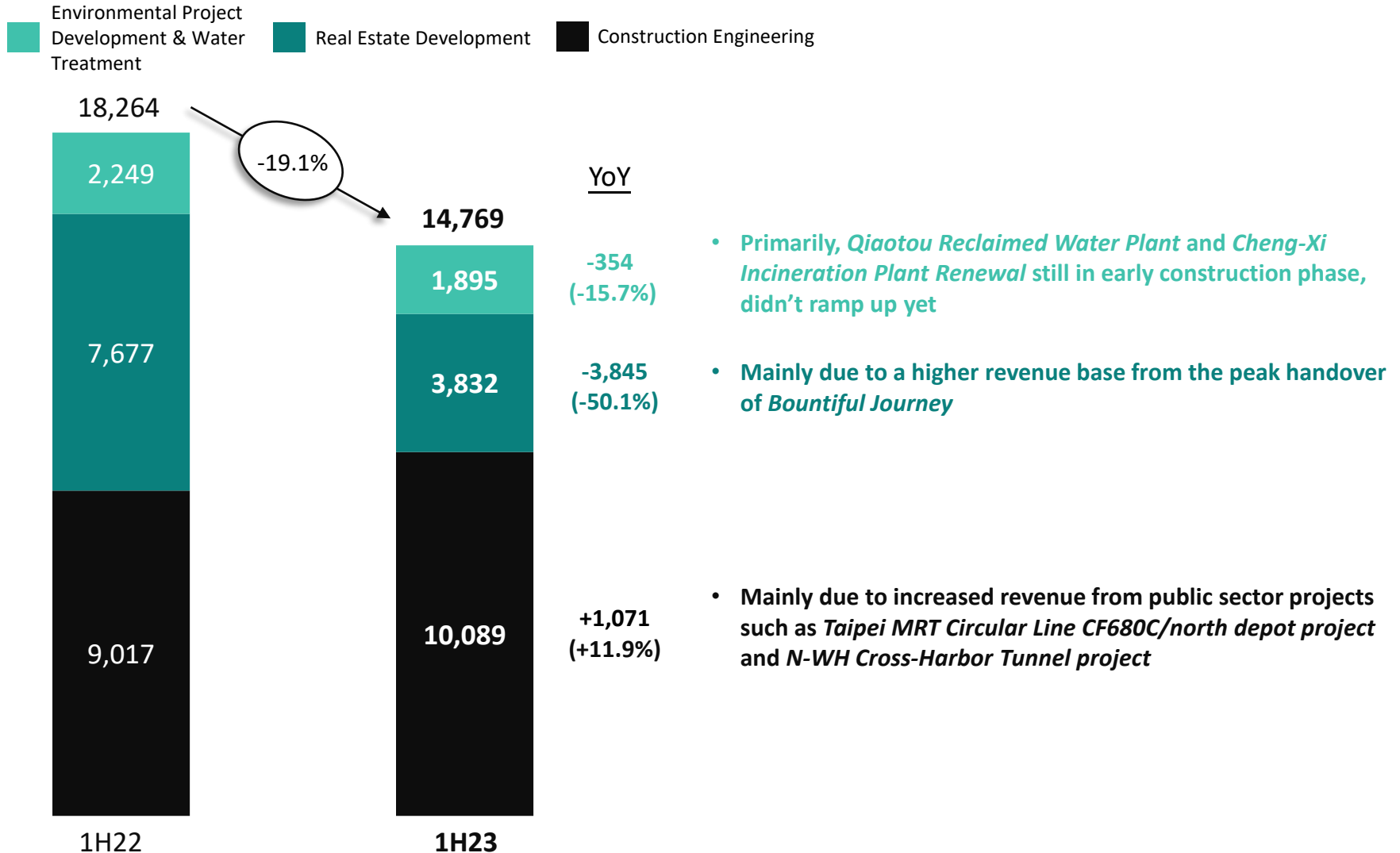
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Financial Results for the First Half of 2023

<i>Selected Items from Income Statement</i> <i>(In NT\$ millions unless otherwise noted)</i>	1H23	1H22	YoY
Total Revenue	14,769	18,264	-19.1%
Gross Profit	2,090	3,321	-37.1%
Gross Margin	14.1%	18.2%	-4.1 ppt
Operating Expense	970	909	6.7%
Operating Profit	1,120	2,412	-53.6%
Operating Profit Margin	7.6%	13.2%	-5.6 ppt
Non-Ops	(347)	(96)	-261.0%
Net Income, attributable to owners of parent	790	2,180	-63.8%
Net Margin	5.3%	11.9%	-6.6 ppt
EPS (NT\$)	0.96	2.65	-63.8%

Construction Engineering Business Reported 12% YoY Revenue Growth in 1H

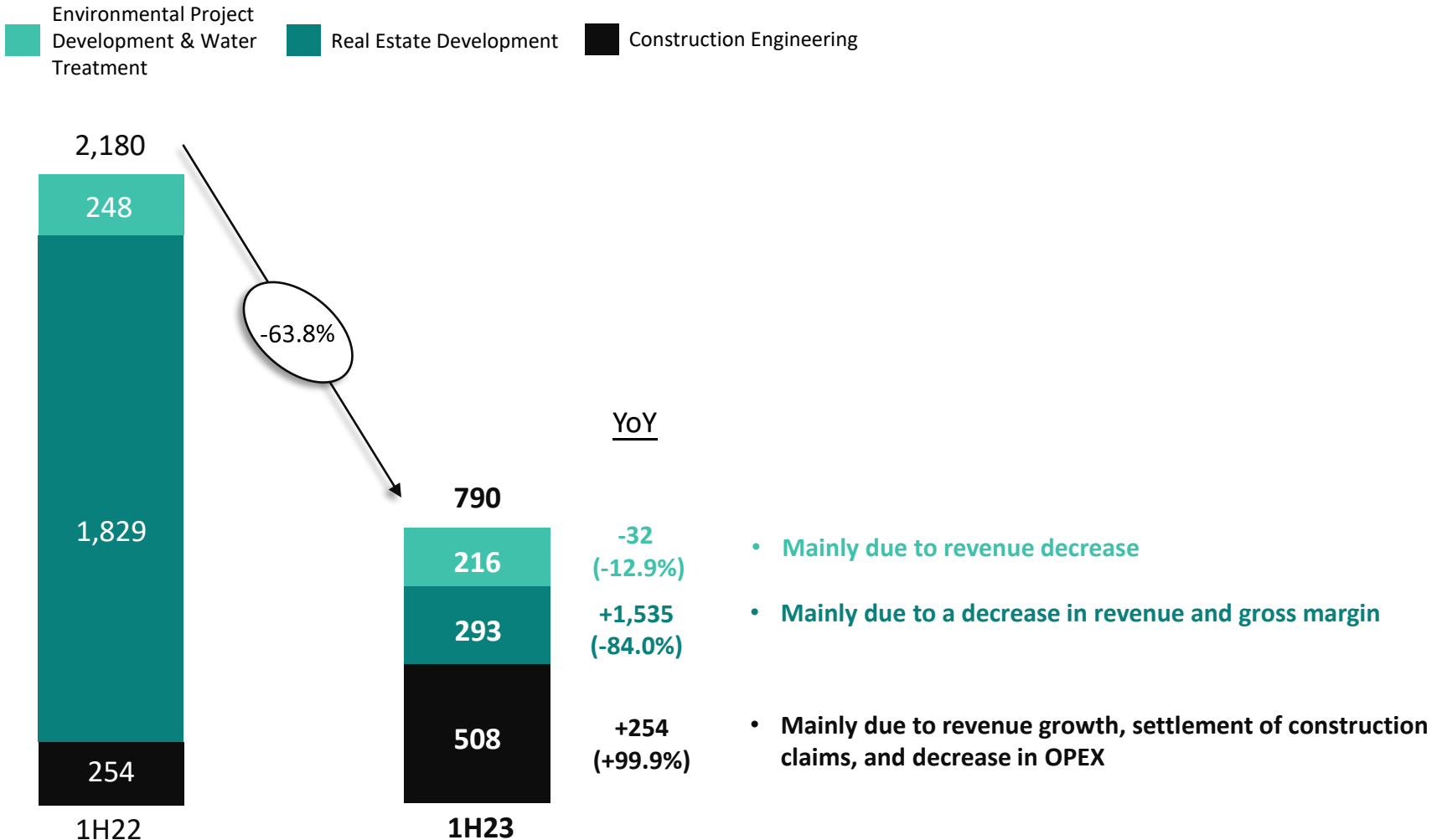
Consolidated Revenues of CHC and Each Business Segment (NT\$ M)



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

Construction Engineering Business Achieved 100% YoY Net Profit Growth in 1H

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, OPEX, non-op, and tax for CHC standalone.

Strong Balance Sheet

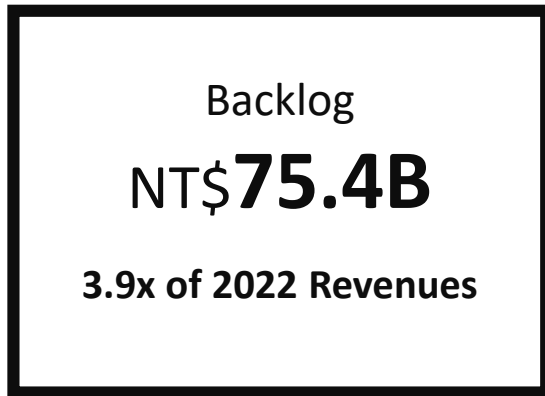
<i>Selected Items from Balance Sheet (NT\$ M)</i>	2023.6.30		2022.12.31		2022.6.30	
	Amount	%	Amount	%	Amount	%
Cash and Cash Equivalents	6,230	8.5	5,822	7.8	5,921	8.5
Current Contract Assets	5,137	7.0	5,915	7.9	5,081	7.3
Account Receivable, Net	2,207	3.0	2,277	3.0	2,075	3.0
Inventories	24,616	33.5	24,855	33.1	27,195	38.9
Property, Plant and Equipment	9,409	12.8	9,551	12.7	4,294	6.1
Investment Property, Net	8,022	10.9	8,031	10.7	8,669	12.4
Long-term Accounts Receivables	6,120	8.3	5,483	7.3	5,719	8.2
Total Assets	73,528	100	75,050	100	69,924	100
Short-term Interest-bearing Loans	13,483	18.3	16,775	22.4	11,282	16.1
Current Contract Liabilities	6,817	9.3	7,508	10.0	7,657	11.0
Accounts and Notes Payable	5,900	8.0	6,093	8.1	5,985	8.6
Long-term Interest-bearing Loans	12,254	16.7	11,482	15.3	11,005	15.7
Total Liabilities	44,408	60.4	45,669	60.9	40,966	58.6
Total Equity	29,120	39.6	29,381	39.1	28,958	41.4

Recap of Recent Business Development

- **Environmental Project Development and Water Treatment Business**
 - Commenced construction of *Qiaotou Reclaimed Water Plant BTO Project* (2023/5)
- **Real Estate Development Business**
 - Completed signing the joint development agreement for the business's first project in the Hsinchu area, located at Daxue Section, Zhubei City, Hsinchu County (2023/6)
 - Completed signing *the Public-Led Urban Regeneration Project of Taipei Daan District Xuefu Section* (2023/7)

Solid Backlog of Three Business Segments

Construction Engineering



- **-NT\$3.5B** QoQ, mainly due to no new contract bid win

Real Estate Development



- **+NT\$0.5B** QoQ, mainly due to new signed contracts from domestic pre-sell projects

Environmental Project Development & Water Treatment



- **-NT\$1.1B** QoQ, mainly due to no new contract bid win

Note:

1. Backlog and contract numbers are as of end of June, 2023; Revenues denotes each business segment's 2022 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. The contracts on hand value is calculated based on contract terms and project status. Actual recognized revenue amount may vary based on final execution for each project.

Construction Engineering Business – Major Projects in 2023



Civil Construction - MRT

Taipei MRT Wanda Line (CQ840)

Taipei MRT Wanda Line (CQ850A)

Taipei MRT Circular Line (CF680C)

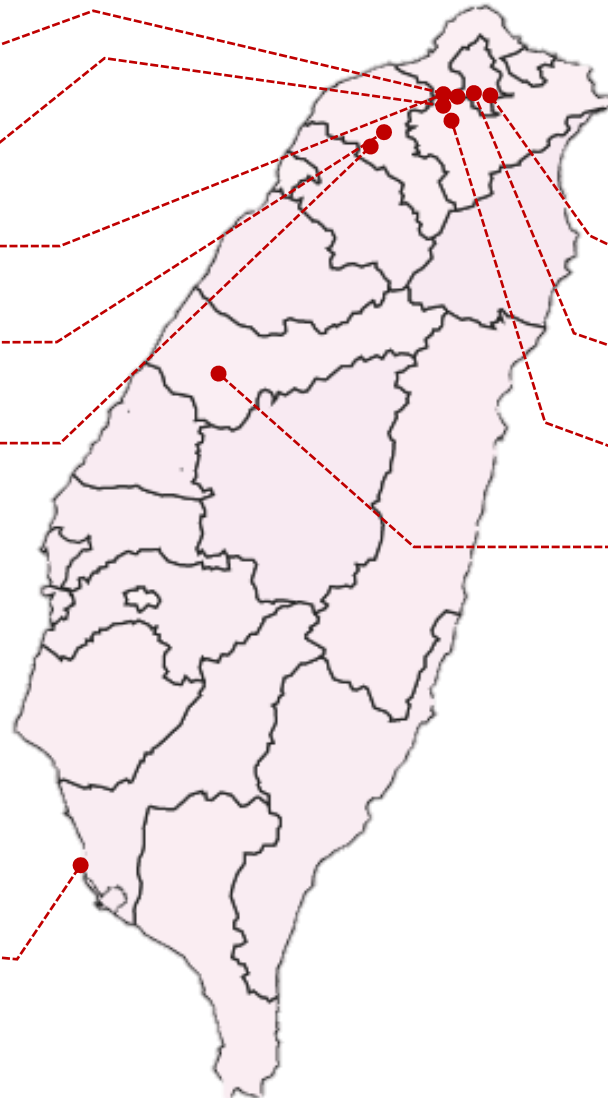
Taoyuan MRT Green Line (GC03)

Taoyuan MRT Green Line (GC01)



Civil Construction – Harbour/Marine

Ministry of National Defense – Cross Harbor Tunnel (N-WH Project)



Building Construction

Nangang Depot (Public Housing)

Xinyi A7 Project (Hotel and Retail)

NexGen (Residence)

CMP Midtown (Residence)

Residential Project Pipeline – Completion



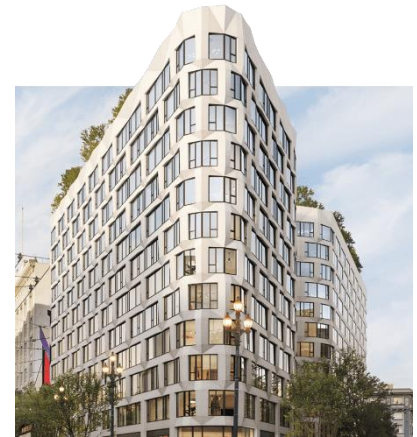
55 Timeless
Taipei City



Treasure Garden
Taichung City



La Bella Vita
Taichung City



SERIF*
San Francisco, CA, USA

*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 – 2023-2025

Project Name	Location	Type	Residence Value ¹ (NT\$)	Estimated Timeline ²		
				2023	2024	2025
Drawing the Dream Life Sold out	New Taipei	Residence	2.84B	Handover completed		
Timeless and Modern Expression Sold out	Taipei	Residence	2.39B	Handover starts in Q3		
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 (Japan) (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
	Nangang Section, Nangang District	Near <i>MRT Nangang Software Park Station</i> and <i>CTBC Financial Park</i>
	Xuefu Section, Daan District	Near <i>MRT Liuzhangli Station</i>
New Taipei City	Jiangzicui Section, Banqiao District	Across <i>Siwei Park</i>
	Xinya Section, Banqiao District	Near <i>MRT Far Eastern Hospital Station</i>
Hsinchu County	Daxue Section, Zhubei City	Near <i>Far Eastern Department Store Zhubei Branch</i>
Taichung City	Dagui Section, Beitun District	Located in <i>Dakeng Scenic Area</i>
	Intercontinental Section, Beitun District (<i>14th Redevelopment Zone</i>)	Across <i>Ssu Chang Li Park</i>
Kaohsiung City	Houjin Section, Qianjin District	Current site of 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 **handover** 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
Applying for
construction permit

1. Leased to My Humble House Group for rental income.
2. Owned by CDC subsidiaries and managed by THE LINE 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 (Japan) (65%) and CDC (35%) and managed by Hotel Nikko.
4. The land for development project is owned by CDC Commercial Development Corporation (CCD), a subsidiary of CDC, which CDC owns 80.65% stake. CDC and CCD jointly develop this project. CDC(including CCD ownership percentage) is expected to receive 89% of the total project value upon completion.

Environmental Project Development & Water Treatment Business – Currently 9 Projects on Hand

Category	Project	Location	Contract Type	Duration	Current Status	
					Under Construction	In Operation
Water Treatment	Danshui Area Wastewater Treatment Plant and Sewerage System	New Taipei	BOT	2005 – 40		
	Fengshan River Reclaimed Water Plant	Kaohsiung	BTO	2016 – 33		
	Puding Area Wastewater Treatment Plant and Sewerage System	Taoyuan	BOT	2016 – 55		
	Chungli Area Wastewater Treatment Plant and Sewerage System	Taoyuan	BOT	2016 – 56		
	Linhai Wastewater Treatment Plant and Reclaimed Water Plant	Kaohsiung	BTO	2018 – 36		
	Tongluo Science Park Wastewater Treatment Plant Phase II	Miaoli	EPC	2020 – 23		
	Anping Reclaimed Water Plant*	Tainan	DBO	2020 – 37	 (Second stage)	
	Qiaotou Reclaimed Water Plant	Kaohsiung	BTO	2022 – 40	 (Reclaimed Water Plant)	 (Wastewater Treatment Plant)
Waste Treatment	Chengxi Incineration Plant Renewal	Tainan	BOT	2023 – 48		

*The first stage of the *Anping Reclaimed Water Plant Project* was completed in March 2023, providing a reclaimed water supply of 10,000 CMD. The second stage of reclaimed water supply, totaling 37,500 CMD, is expected to be advanced to Q3 of this year.

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