



CONTINENTAL 欣陸投控
HOLDINGS CORPORATION

Continental Holdings Corporation

3703.TT

2023 Third Quarter Earnings Conference

November 13th, 2022



Disclaimer Statement

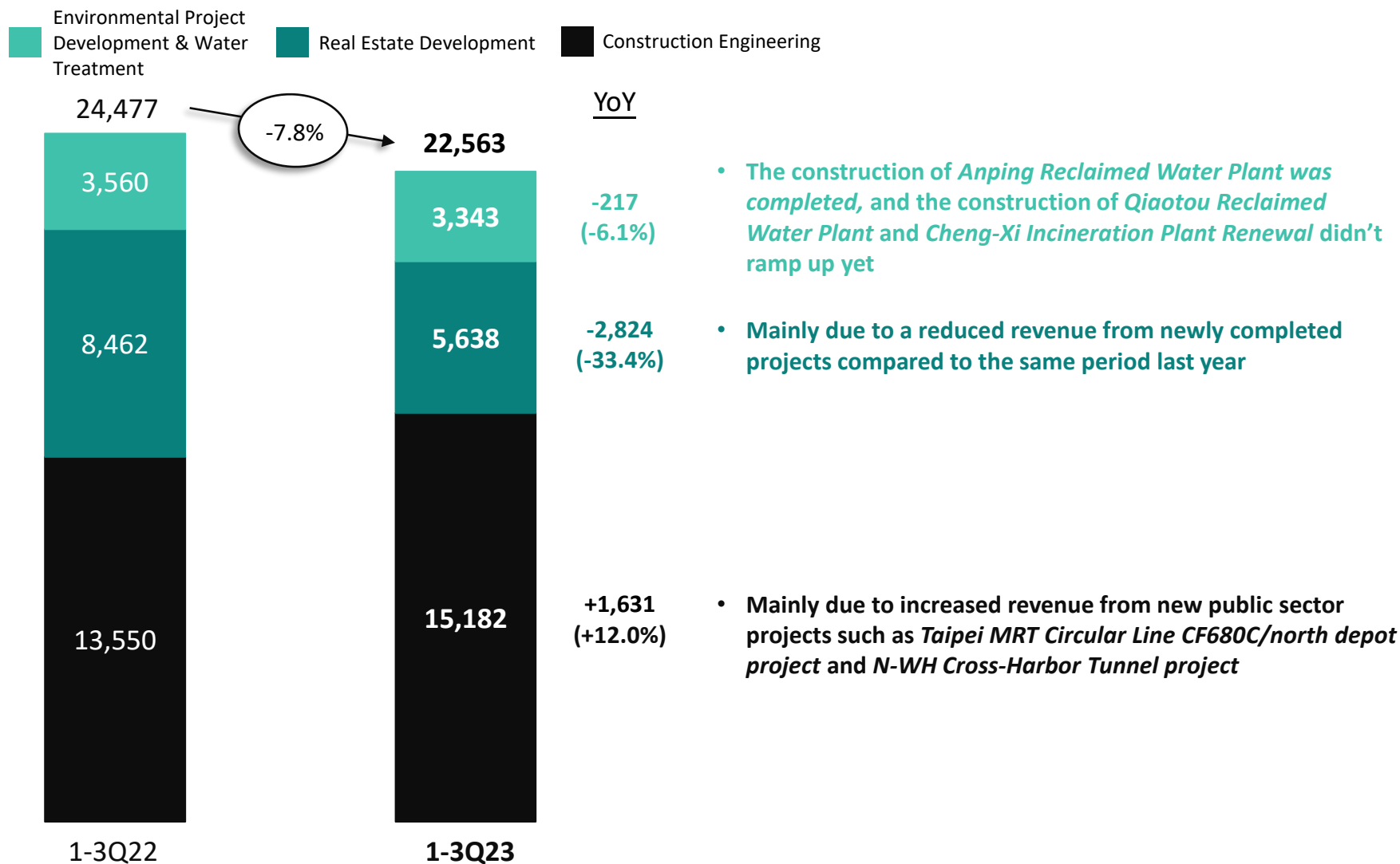
- This presentation and release contain “forward-looking statements” which may include projections of future results of operations, financial condition or business prospects based on our own information and other sources.
- Our actual results of operations, financial condition or business prospects may differ from those expressed or implied in these forward-looking statements for a variety of reasons, including but not limited to market demand, price fluctuations, competition, international economic conditions, supply chain issues, exchange rate fluctuations and other risks and factors beyond our control.
- The forward-looking statements in this release reflect the current belief of Continental Holdings Corporation as of the date of this release. Continental Holdings Corporation undertakes no obligation to update these forward-looking statements for events or circumstances that occur subsequent to such date.

Financial Results for the First Three Quarters of 2023

<i>Selected Items from Income Statement</i> <i>(In NT\$ millions unless otherwise noted)</i>	1-3Q23	1-3Q22	YoY
Total Revenue	22,563	24,477	-7.8%
Gross Profit	3,125	4,146	-24.6%
Gross Margin	13.8%	16.9%	-3.1 ppt
Operating Expense	1,500	1,236	+21.4%
Operating Profit	1,625	2,910	-44.2%
Operating Profit Margin	7.2%	11.9%	-4.7 ppt
Non-Ops	(352)	(125)	-180.8%
Net Income, attributable to owners of parent	1,264	2,645	-52.2%
Net Margin	5.6%	10.8%	-5.2 ppt
EPS (NT\$)	1.54	3.21	-52.2%

1-3Q Revenue of Construction Engineering Business Outperformed That of the Other Two Business Segments

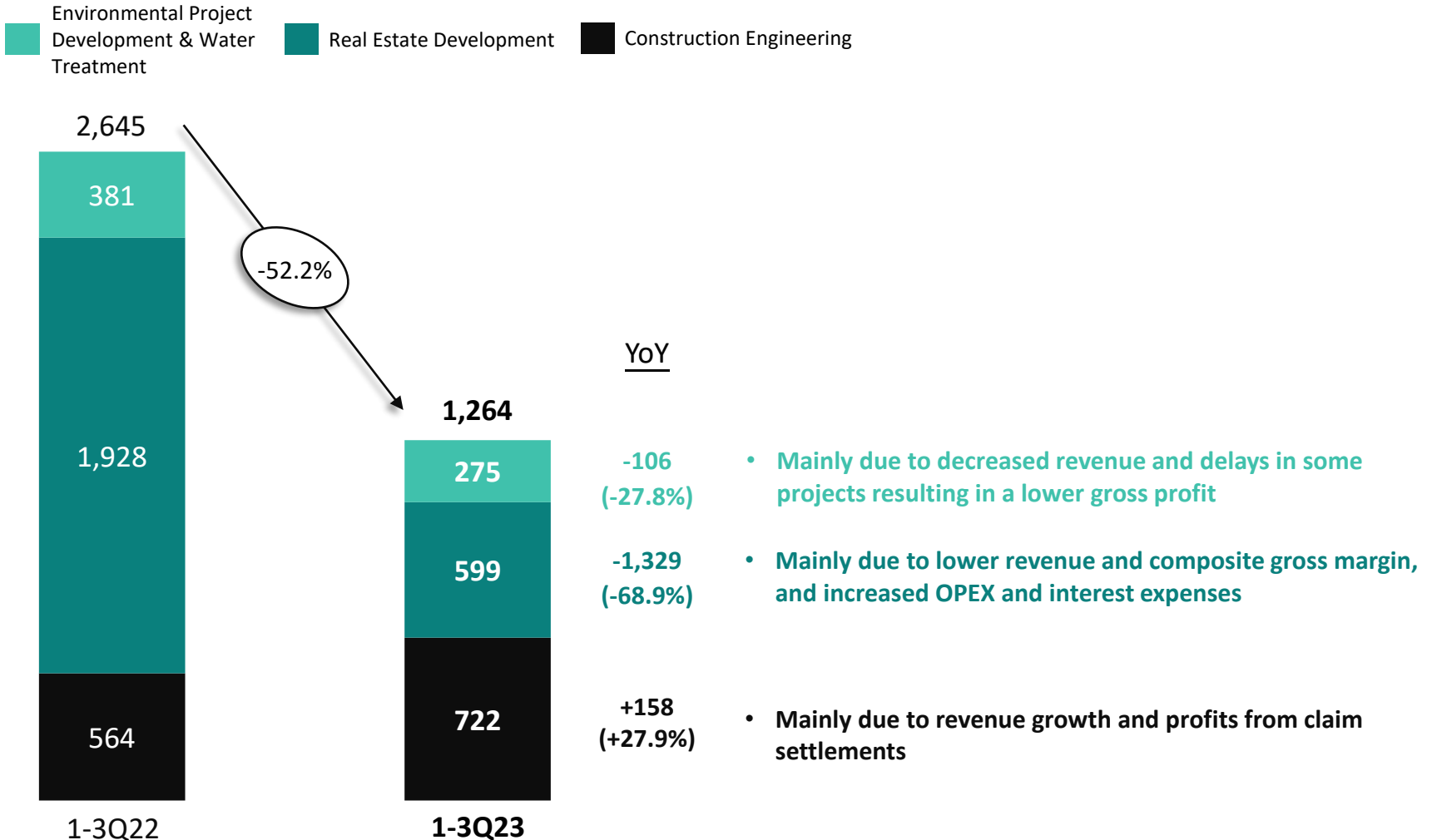
Consolidated Revenues of CHC and Each Business Segment (NT\$ M)



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

Construction Engineering Business Achieved 28% YoY Growth in Net Profit for 1-3Q of 2023

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>	2023.9.30		2022.12.31		2022.9.30	
	Amount	%	Amount	%	Amount	%
Cash and Cash Equivalents	6,106	8.1	5,822	7.8	9,175	12.3
Current Contract Assets	5,497	7.3	5,915	7.9	5,510	7.4
Account Receivable, Net	2,168	2.9	2,277	3.0	1,572	2.1
Inventories	24,996	33.0	24,855	33.1	28,477	38.2
Property, Plant and Equipment	9,654	12.7	9,551	12.7	4,330	5.8
Investment Property, Net	8,019	10.6	8,031	10.7	8,661	11.6
Long-term Accounts Receivables	6,284	8.3	5,483	7.3	5,871	7.9
Total Assets	75,749	100.0	75,050	100	74,566	100
Short-term Interest-bearing Loans	16,842	22.2	16,775	22.4	15,408	20.7
Current Contract Liabilities	7,090	9.4	7,508	10.0	7,820	10.5
Accounts and Notes Payable	5,938	7.8	6,093	8.1	5,921	7.9
Long-term Interest-bearing Loans	12,165	16.1	11,482	15.3	12,132	16.3
Total Liabilities	45,773	60.4	45,669	60.9	45,086	60.5
Total Equity	29,976	39.6	29,381	39.1	29,481	39.5

Recap of Recent Business Development

- **Construction Engineering Business**

- Awarded the *Jiantan MRT Transit Facility Utilized for Multi-Purpose Design-Build Project* with a contract value of NT\$3.387B (tax included)

- **Real Estate Development Business**

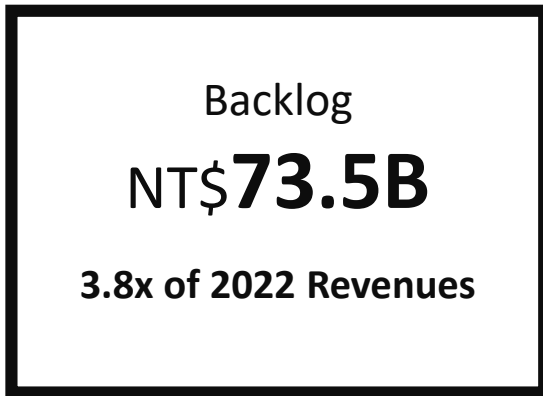
- The handover of residential project *Timeless and Modern Expression* in Taipei City commenced
- The sale of residential project *The Lantern Bangsar* in Malaysia, Kuala Lumpur launched

- **Environmental Project Development and Water Treatment Business**

- The reclaimed water production capacity of *Anping Reclaimed Water Plant* expanded to 37,500 CMD
- The phase I of *Puding Area Sewerage System BOT Project* completed with a wastewater treatment capacity of 7,500 CMD

Solid Backlog of Three Business Segments

Construction Engineering



-NT\$1.9B QoQ, mainly due to backlog fulfillment

Real Estate Development



- -NT\$1.2B QoQ, mainly due to the handover of *Timeless and Modern Expression*

Environmental Project Development & Water Treatment



- -NT\$1.4B QoQ, mainly due to no new contract bid win

Note:

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

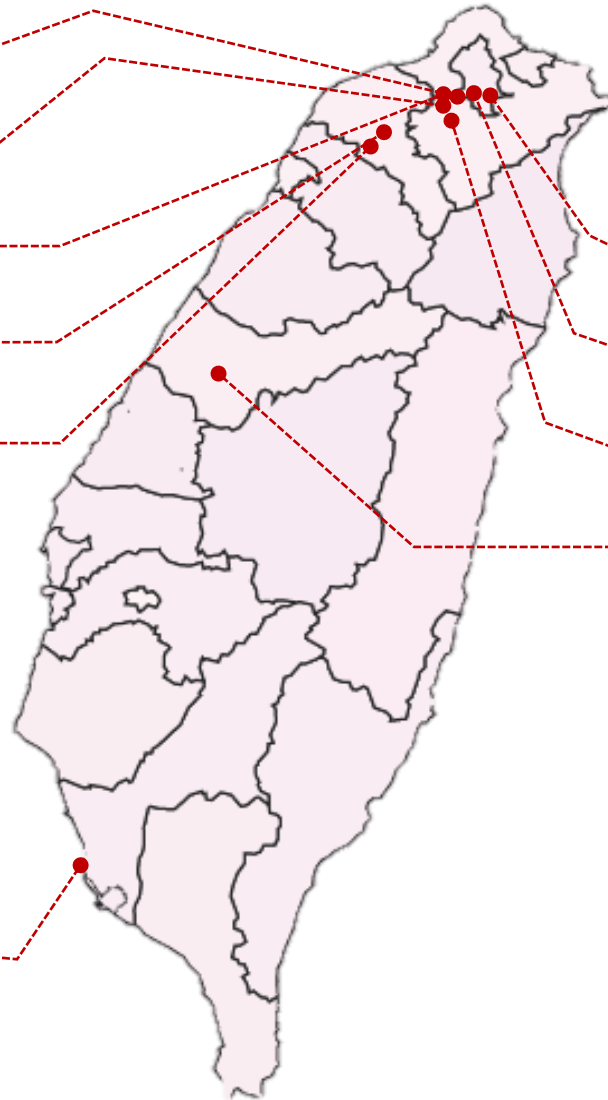
Taoyuan MRT Green Line (GC03)

Taoyuan MRT Green Line (GC01)



Civil Construction – Harbor/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



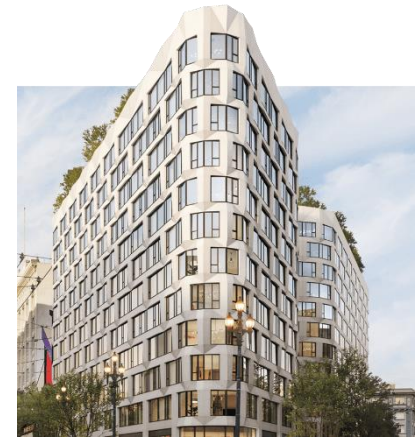
55 Timeless
Taipei City



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 – 2023-2026

Project Name	Location	Type	Residence Value ¹ (NT\$)	Estimated Timeline ²			
				2023	2024	2025	2026
Timeless and Modern Expression	Sold out Taipei	Residence	2.39B	Handover in Progress			
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	
Belle Époque	Taichung	Residence/Office	4.70B			V	
Prologue Eternal	Taipei	Residence	4.50B				V
The Lantern Bangsar ⁴	Kuala Lumpur, Malaysia	Residence	MYR 190M				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%)
- Owned by CDC subsidiary which CDC holds 60% stake.

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 of 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	located at <i>Dunhua South Road Area</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

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
Expected completion in 2026

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		

3703.TW

欣陸投控 

Continental Holdings Corporation

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

ir@continental-holdings.com

+886-2-2700-4509