



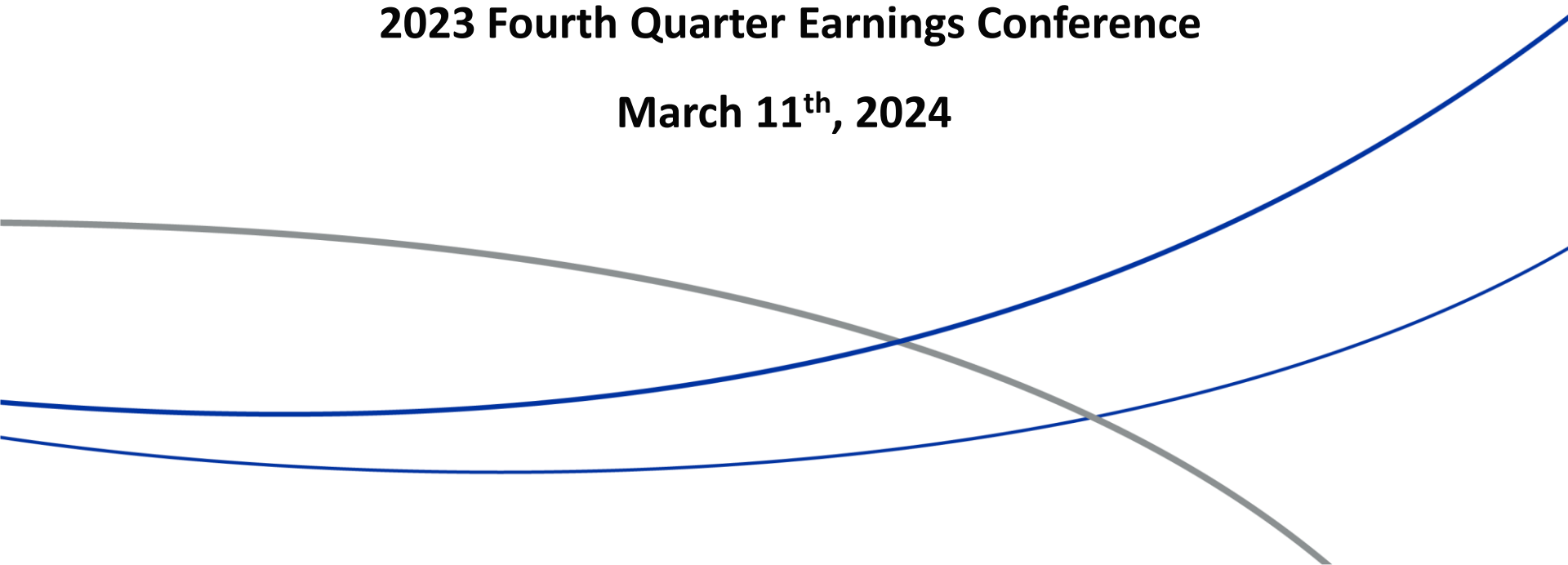
CONTINENTAL 欣陸投控  
HOLDINGS CORPORATION

# Continental Holdings Corporation

**3703.TT**

**2023 Fourth Quarter Earnings Conference**

**March 11<sup>th</sup>, 2024**



# Disclaimer Statement

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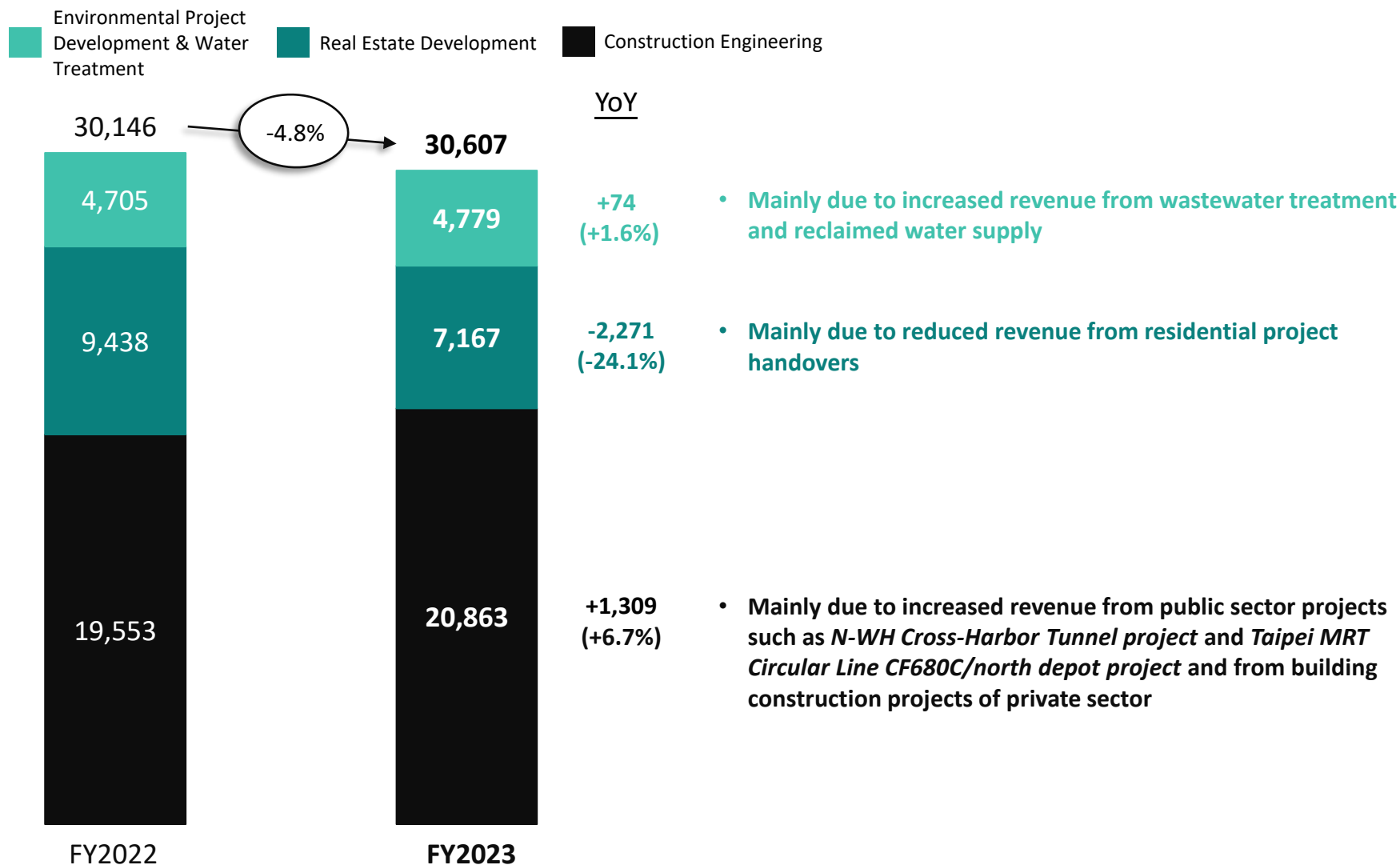
- This presentation and release contain “forward-looking statements” which may include projections of future results of operations, financial condition or business prospects based on our own information and other sources.
- Our actual results of operations, financial condition or business prospects may 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 FY2023

<i>Selected Items from Income Statement</i> <i>(In NT\$ millions unless otherwise noted)</i>	<b>FY2023</b>	<b>FY2022</b>	<b>YoY</b>
<b>Total Revenue</b>	<b>30,607</b>	<b>32,146</b>	<b>-4.8%</b>
Gross Profit	4,276	5,052	-15.4%
<b>Gross Margin</b>	<b>14.0%</b>	<b>15.7%</b>	<b>-1.7 ppt</b>
Operating Expense	2,103	1,794	+17.2%
<b>Operating Profit</b>	<b>2,173</b>	<b>3,258</b>	<b>-33.3%</b>
Operating Profit Margin	7.1%	10.1%	-3.0 ppt
Non-Ops	(462)	(440)	-5.1%
<b>Net Income, attributable to owners of parent</b>	<b>1,717</b>	<b>2,888</b>	<b>-40.6%</b>
Net Margin	5.6%	9.0%	-3.4 ppt
EPS (NT\$)	2.09	3.51	-40.6%

# For 2023 Revenues, Construction Engineering Business Segment Performed Relatively Well

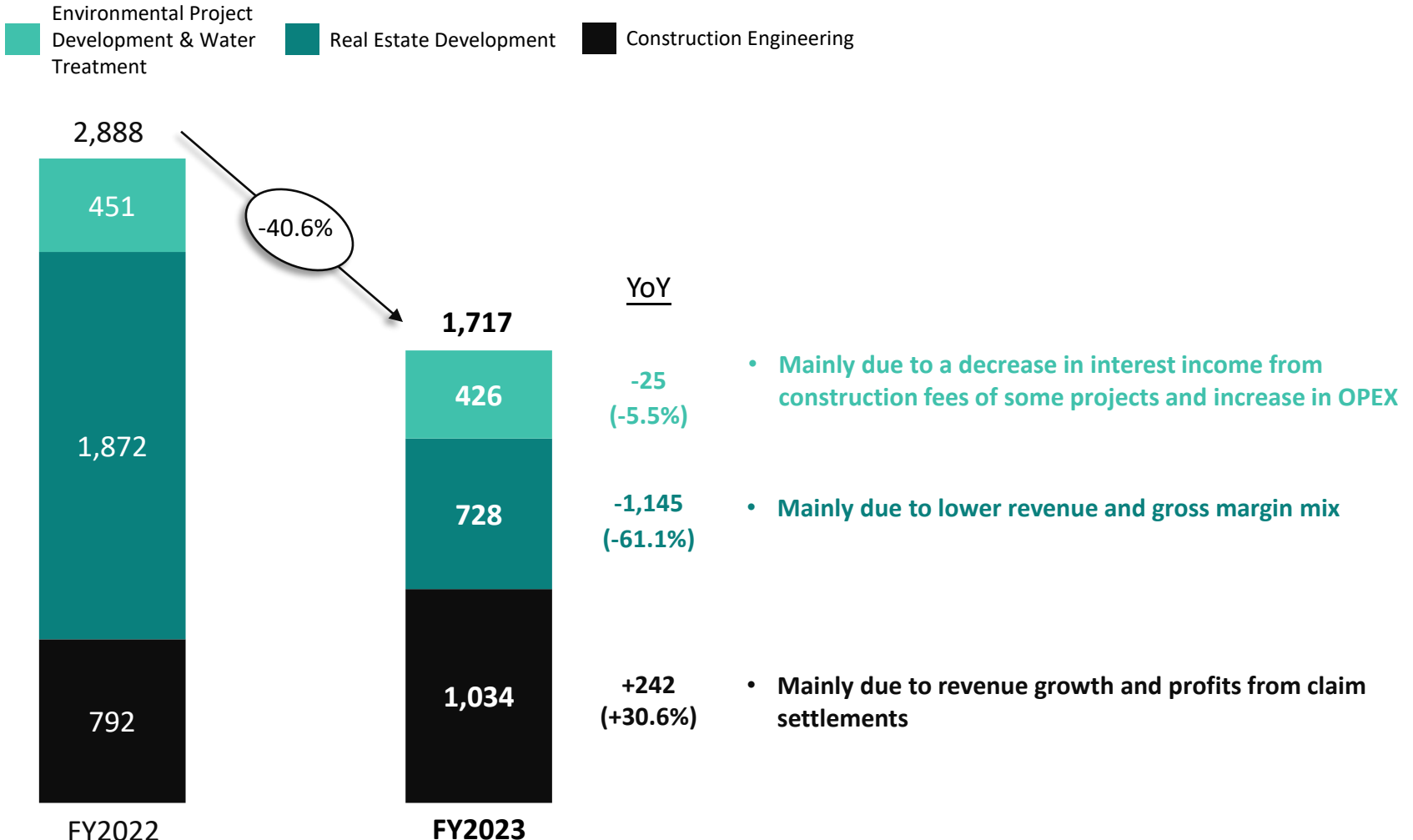
## Consolidated Revenues of CHC and Each Business Segment (NT\$ M)



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

# Construction Engineering Business Achieved Record-High Profit in 2023 Since CHC's Inception

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



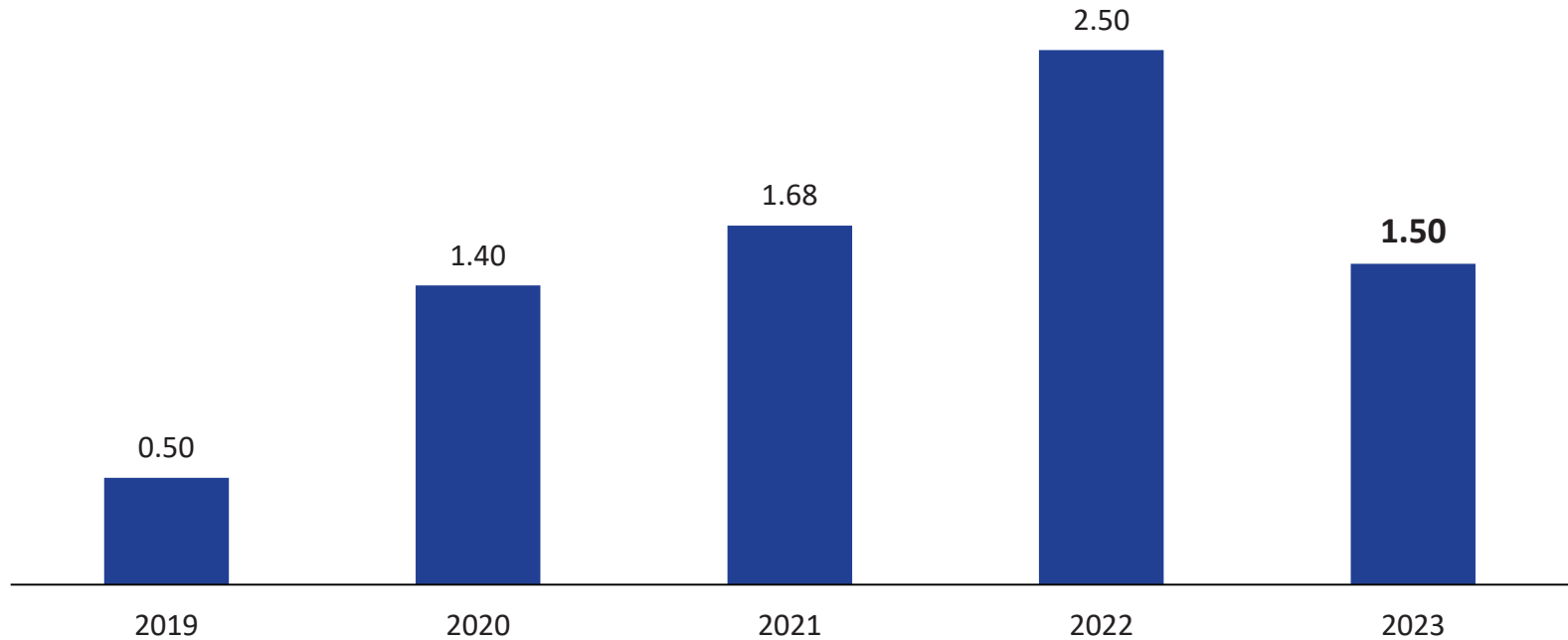
\* Net profit denotes net profit attributable to owners of parent. Net profit of three business segments do not add up to CHC's net profit because of eliminations, OPEX, non-op, and tax for CHC standalone.

# Strong Balance Sheet

<i>Selected Items from Balance Sheet (NT\$ M)</i>	2023.12.31		2023.9.30		2022.12.31	
	Amount	%	Amount	%	Amount	%
Cash and Cash Equivalents	6,878	8.8	6,106	8.1	5,822	7.8
Current Contract Assets	5,241	6.7	5,497	7.3	5,915	7.9
Account Receivable, Net	2,987	3.8	2,168	2.9	2,277	3.0
Inventories	25,205	32.1	24,996	33.0	24,855	33.1
Property, Plant and Equipment	9,530	12.2	9,654	12.7	9,551	12.7
Investment Property, Net	8,015	10.2	8,019	10.6	8,031	10.7
Long-term Accounts Receivables	5,876	7.5	6,284	8.3	5,483	7.3
<b>Total Assets</b>	<b>78,411</b>	<b>100</b>	<b>75,749</b>	<b>100.0</b>	<b>75,050</b>	<b>100</b>
Short-term Interest-bearing Loans	17,135	21.9	16,842	22.2	16,775	22.4
Current Contract Liabilities	7,663	9.8	7,090	9.4	7,508	10.0
Accounts and Notes Payable	6,578	8.4	5,938	7.8	6,093	8.1
Long-term Interest-bearing Loans	12,189	15.5	12,165	16.1	11,482	15.3
<b>Total Liabilities</b>	<b>47,635</b>	<b>60.8</b>	<b>45,773</b>	<b>60.4</b>	<b>45,669</b>	<b>60.9</b>
<b>Total Equity</b>	<b>30,776</b>	<b>39.2</b>	<b>29,976</b>	<b>39.6</b>	<b>29,381</b>	<b>39.1</b>

# Cash Dividend of NT\$1.50/Share for FY2023 with A Dividend Yield of 5.3%

## CHC Cash Dividend (NT\$/Share) over Last 5 Years

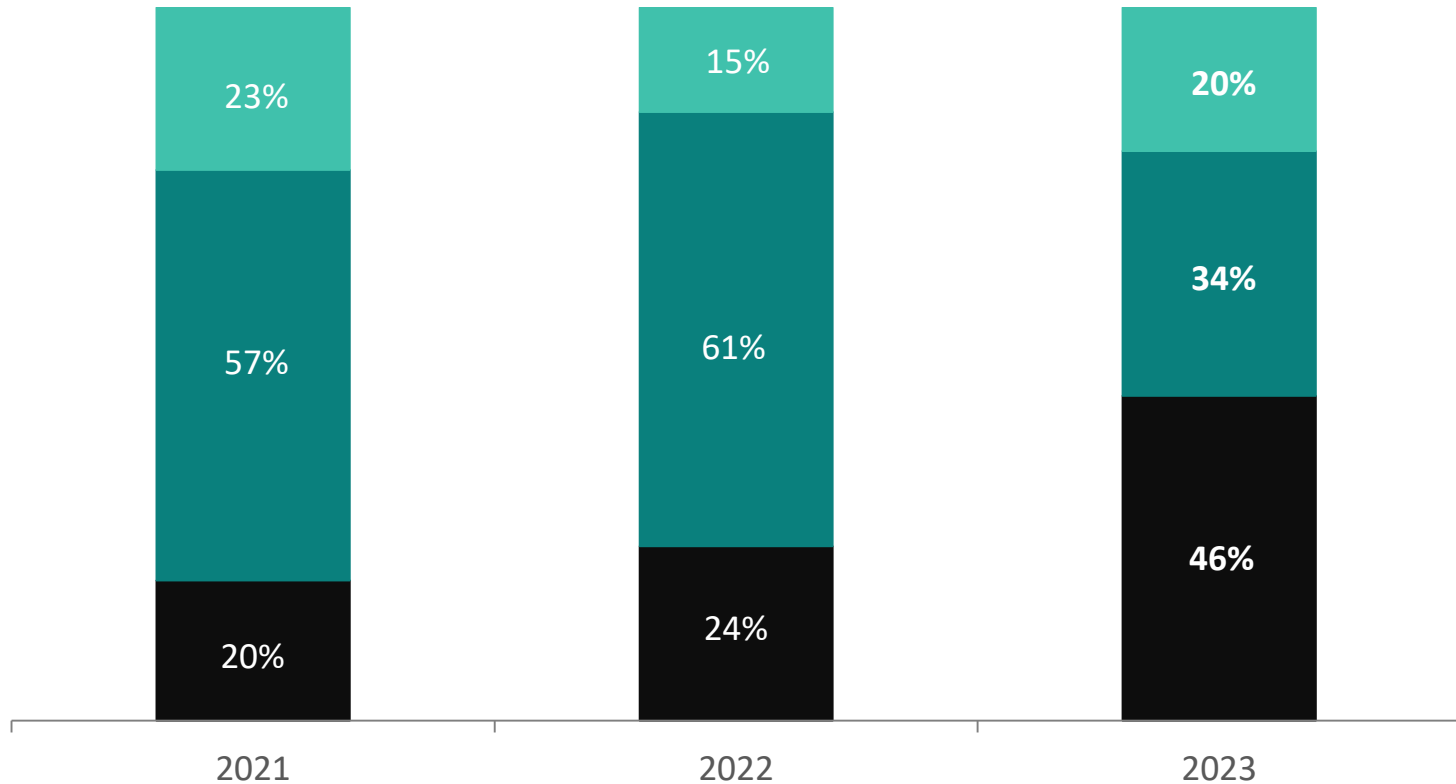


	2019	2020	2021	2022	2023
Net Profit (NT\$ M)	97	1,539	1,826	2,888	1,717
Payout Ratio	424%	75%	76%	71%	72%
Dividend Yield*	3.7%	5.1%	5.9%	8.1%	5.3%

\* Calculated based on the closing prices of ex-div days, except for 2023 which is calculated based on closing price on March 8<sup>th</sup>, 2024.

# More Balanced Business Portfolio

## Profit Contribution Ratio of Three Business Segments



\* Profit contribution ratio of three business segments used the sum of CHC's recognized investment income from the three business segments as the denominator



# Recap of Recent Business Development and Major Events

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- **Business Development in 2023**

- Construction Engineering Business: Obtained public sector projects including *CF670A Contract for the south section of Taipei MRT Circular Line* and *Contract for Jiantan MRT Transit Facility Utilized for Multi-Purpose Design Build Project*
- Real Estate Development Business: Acquired major projects such as Zhubei City project in Hsinchu County, public-led urban regeneration project of Daan District, Taipei and Nangang District project in Taipei
- Environmental Project Development & Water Treatment Business : Completion of *Puding Wastewater Treatment Plant*, capacity expansion of *Anping Reclaimed Water Plant* and completion of *Tongluo Science Park Wastewater Treatment Plant Phase II turnkey project*

- **Business Development in 2024**

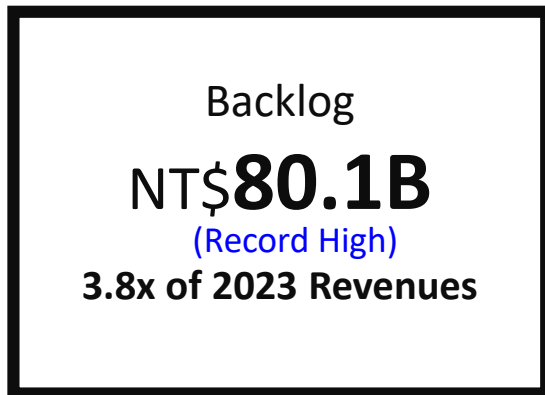
- Construction Engineering Business: Awarded Contract *CJ17 for Taoyuan Railway Underground Project* with a total value of NT\$15,577M (tax included)

- **Board Resolutions (2024/3/8)**

- Declared FY2023 cash dividend of NT\$1.50 per share
- To convene 2024 AGM on June 3rd, featuring a comprehensive election of the board of directors

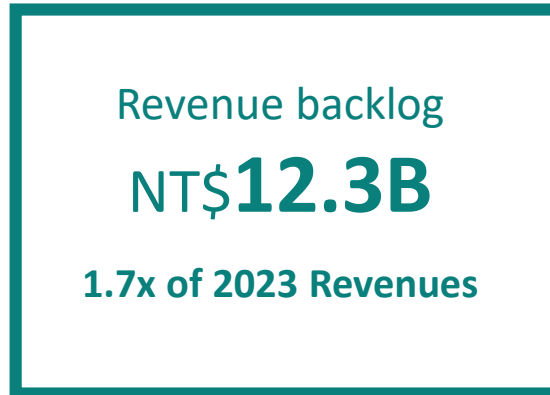
# Solid Backlog of Three Business Segments

## Construction Engineering



+NT\$6.6B QoQ, mainly due to the acquisition of new projects

## Real Estate Development



- -NT\$1.3B QoQ, mainly due to the handover of *Timeless and Modern Expression*

## Environmental Project Development & Water Treatment



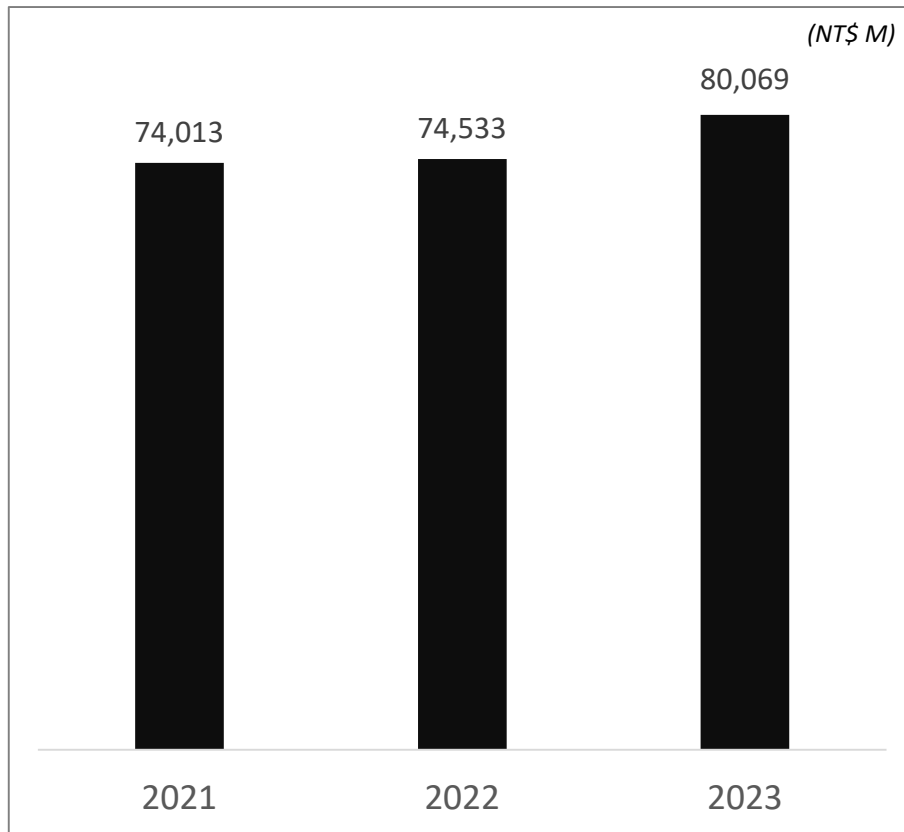
- +NT\$0.6B QoQ, mainly due to the reassessment of contracts on hand at year end

### Note:

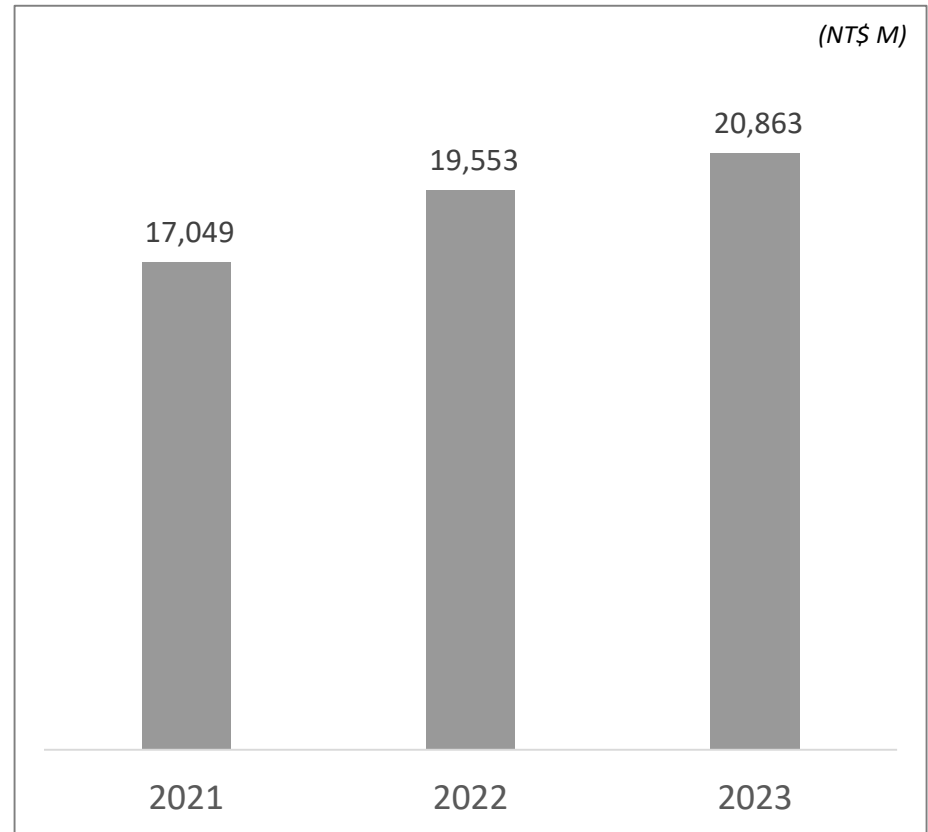
1. Backlog and contract numbers are as of end of December, 2023; Revenues denotes each business segment's 2023 consolidated revenues.
2. Revenue backlog for Real Estate Development Business includes signed contracts to close and revenues to be recognized under percentage of completion method.
3. The 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 – Newly Acquired Projects Drive Backlog and Revenue Growth

## Backlog at end of 2021 through 2023



## Revenue for 2021 through 2023

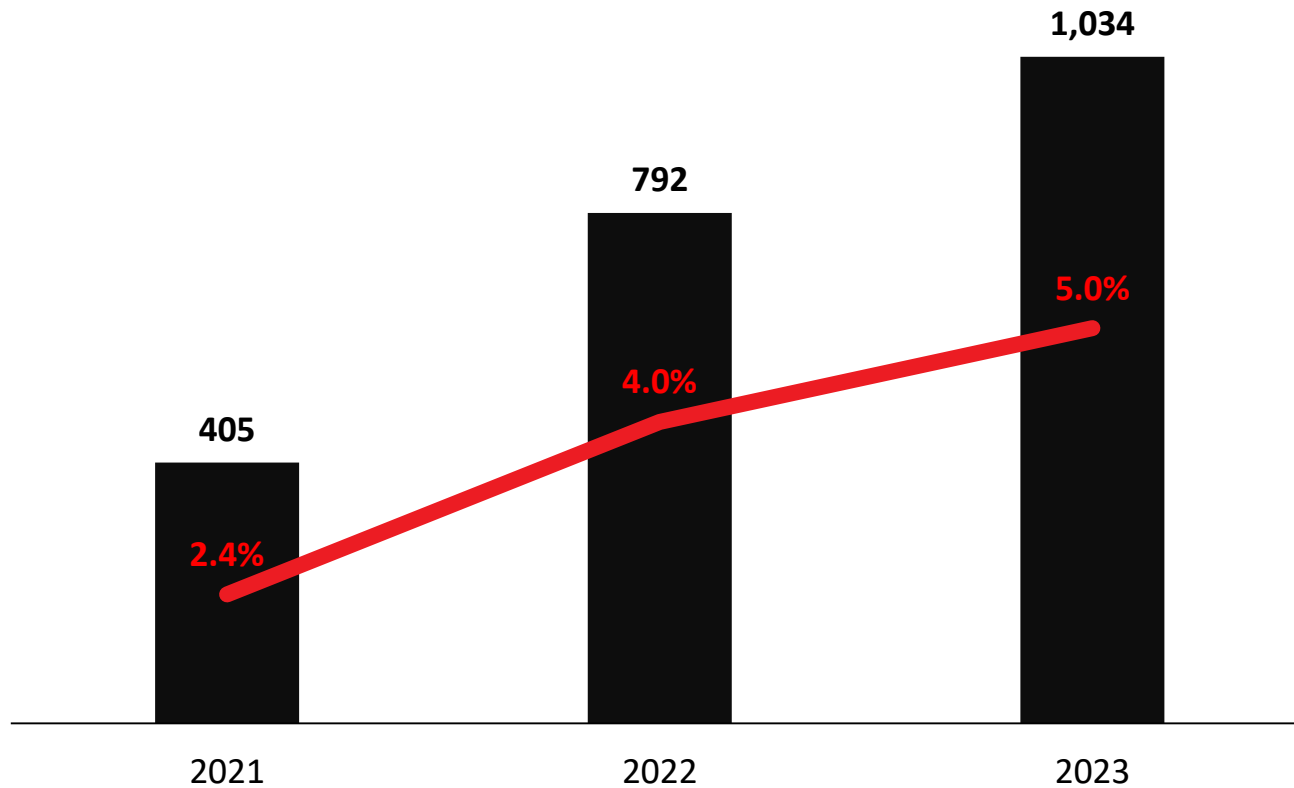


# Construction Engineering Business – Stable Profit Growth over Last 3 Years with Record-High Profits in 2023

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## 2021-2023 NPAT and Net Margin of Construction Engineering Business

(NT\$ M)



# Construction Engineering Business – Major Projects in 2024



## Civil Construction - MRT

Taipei MRT Wanda Line (CQ840)

Taipei MRT Circular Line (CF680C)

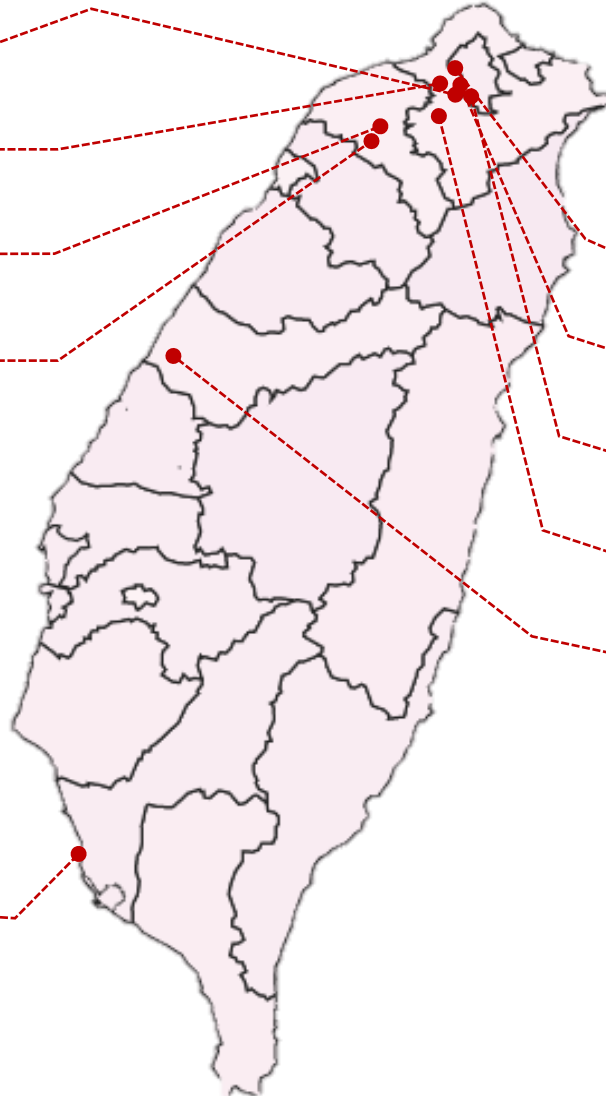
Taoyuan MRT Green Line (GC03)

Taoyuan MRT Green Line (GC01)



## Civil Construction – Harbor/Marine

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



## Building Construction

Wanchi Peitou (Residence)

Sensuous Garden (Hotel and Residence)

Xinyi A7 (Hotel and Retail)

NexGen (Residence)

Belle Époque (Residence)

# Residential Project Pipeline – Completion

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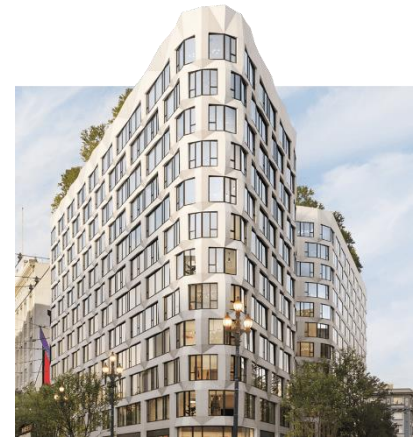
**55 Timeless**  
Taipei City



**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 – 2024-2026

Project Name	Location	Type	Residence Value <sup>1</sup> (NT\$)	Estimated Timeline <sup>2</sup>		
				2024	2025	2026
Tianjin Street Project <span style="border: 1px solid red; padding: 2px;">Sold out</span>	Taipei	Residence	2.23B	V		
Arranging New Asia Bay <sup>3</sup> <span style="border: 1px solid red; padding: 2px;">Sold out</span>	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 <sup>4</sup>	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	Estimated Total Sales Amount
Taipei City	Tonghua Section, Daan District (Metropolitan Village)	Near <i>MRT Xinyi Anhe Station</i>	3.89B
	Yaxiang Section, Xinyi District	Current site of Taipei Children Welfare Center	Planning
	Nangang Section, Nangang District	Near <i>MRT Nangang Software Park Station</i>	Planning
	Xuefu Section, Daan District	located at <i>Dunhua South Road Area</i>	Planning
New Taipei City	Jiangzicui Section, Banqiao District	Across <i>Siwei Park</i>	4.70B
	Xinya Section, Banqiao District	Near <i>MRT Far Eastern Hospital Station</i>	4.21B
Hsinchu County	Daxue Section, Zhubei City	Near <i>Far Eastern Department Store Zhubei Branch</i>	Planning
Taichung City	Dagui Section, Beitun District	Located in <i>Dakeng Scenic Area</i>	Planning
	Intercontinental Section, Beitun District (14th Redevelopment Zone)	Across <i>Ssu Chang Li Park</i>	4.22B
Kaohsiung City	Houjin Section, Qianjin District	Current site of Ambassador Hotel Kaohsiung	Planning



# Commercial Project Pipeline of Real Estate Development Business



**Humble Boutique Hotel<sup>1</sup>**  
Taipei, Taiwan  
In operation



**The LINE Hotel<sup>2</sup>**  
San Francisco, CA, USA  
In operation



**Capri by Fraser<sup>2</sup>**  
Kuala Lumpur, Malaysia  
In operation



**Hotel Nikko<sup>3</sup>**  
Kaohsiung, Taiwan  
Scheduled opening in 2024



















**Dazhi Commercial Building<sup>4</sup>**  
Taipei, Taiwan  
Building permit obtained  
Expected completion in 2026



**Daan District Office<sup>5</sup>  
Building**  
Taipei, Taiwan  
Expected completion in 2029

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.
5. CDC is responsible for subleasing and doesn't have ownership.

# Environmental Project Development & Water Treatment Business – Increasing Operating Projects Will Contribute to Stable Revenue Stream

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	 (Public and household plumbing systems)	
	Chungli Area Wastewater Treatment Plant and Sewerage System	Taoyuan	BOT	2016 – 56		
	Linhai Wastewater Treatment Plant and Reclaimed Water Plant	Kaohsiung	BTO	2018 – 36		
	Anping Reclaimed Water Plant	Tainan	DBO	2020 – 37		
	Qiaotou Reclaimed Water Plant	Kaohsiung	BTO	2022 – 40	 (Reclaimed Water Plant)	 (Wastewater Treatment)
Waste Treatment	Chengxi Incineration Plant Renewal	Tainan	BOT	2023 – 48		

Note: The *Tongluo Science Park Wastewater Treatment Plant Phase II turnkey project* was completed at the end of 2023 and commenced operation by operating contractor.



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