



CONTINENTAL 欣陸投控
HOLDINGS CORPORATION

Continental Holdings Corporation

3703.TT

2024 First Quarter Earnings Conference

May 13th, 2024



Disclaimer Statement

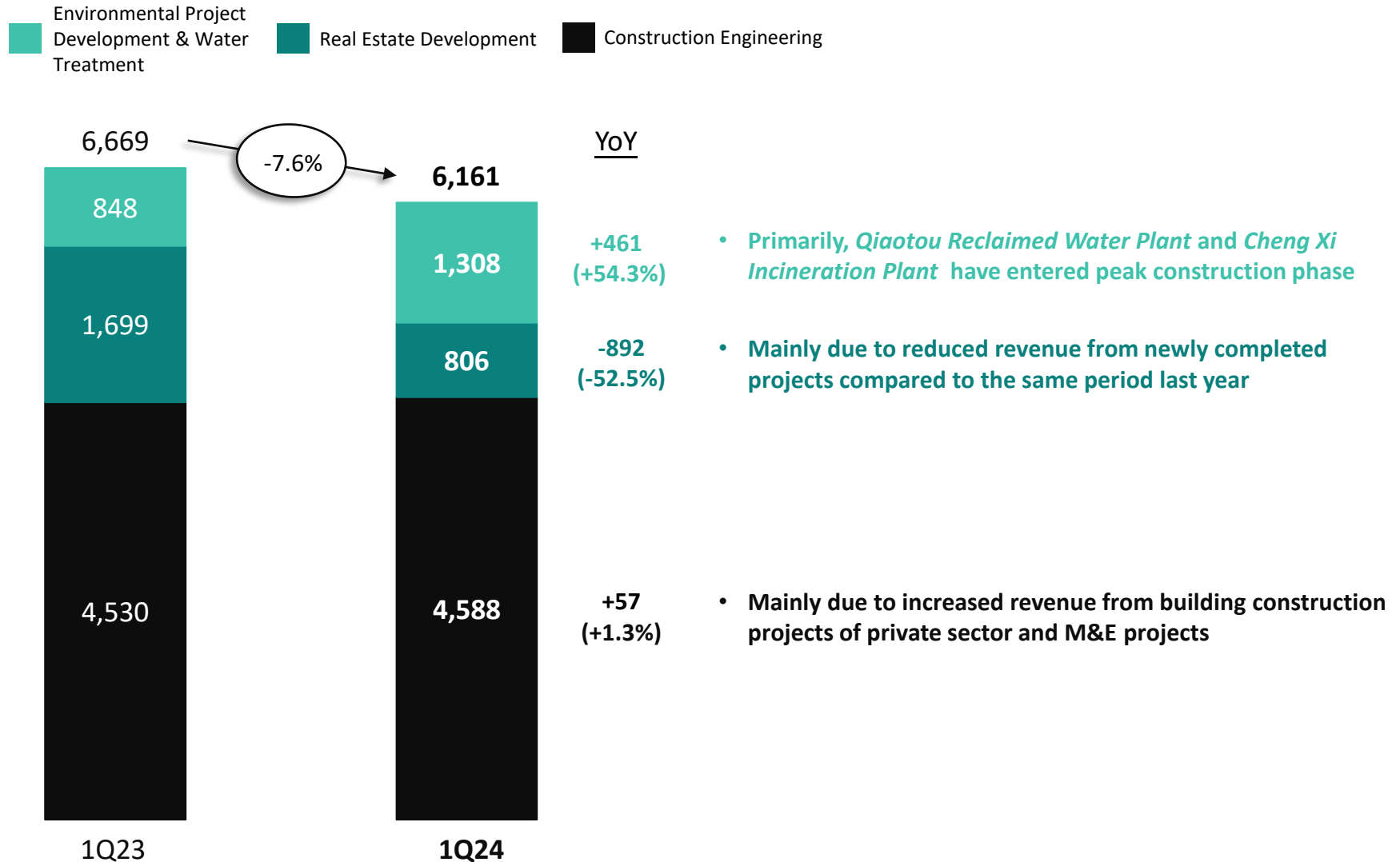
- This presentation and release contain “forward-looking statements” which may include projections of future results of operations, financial condition or business prospects based on our own information and other sources.
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Financial Results for First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

<i>Selected Items from Income Statement</i> <i>(In NT\$ millions unless otherwise noted)</i>	1Q24	1Q23	YoY
Total Revenue	6,161	6,669	-7.6%
Gross Profit	563	850	-33.8%
Gross Margin	9.1%	12.7%	-3.6 ppt
Operating Expense	501	449	+11.5%
Operating Profit	62	401	-84.5%
Operating Profit Margin	1.0%	6.0%	-5.0 ppt
Non-Ops	(93)	(201)	n/m
Net Income, attributable to owners of parent	97	214	-54.8%
Net Margin	1.6%	3.2%	-1.6 ppt
EPS (NT\$)	0.12	0.26	-54.8%

Environmental Project Development & Water Treatment Business Achieved 54.3% YoY Revenue Growth for Q1

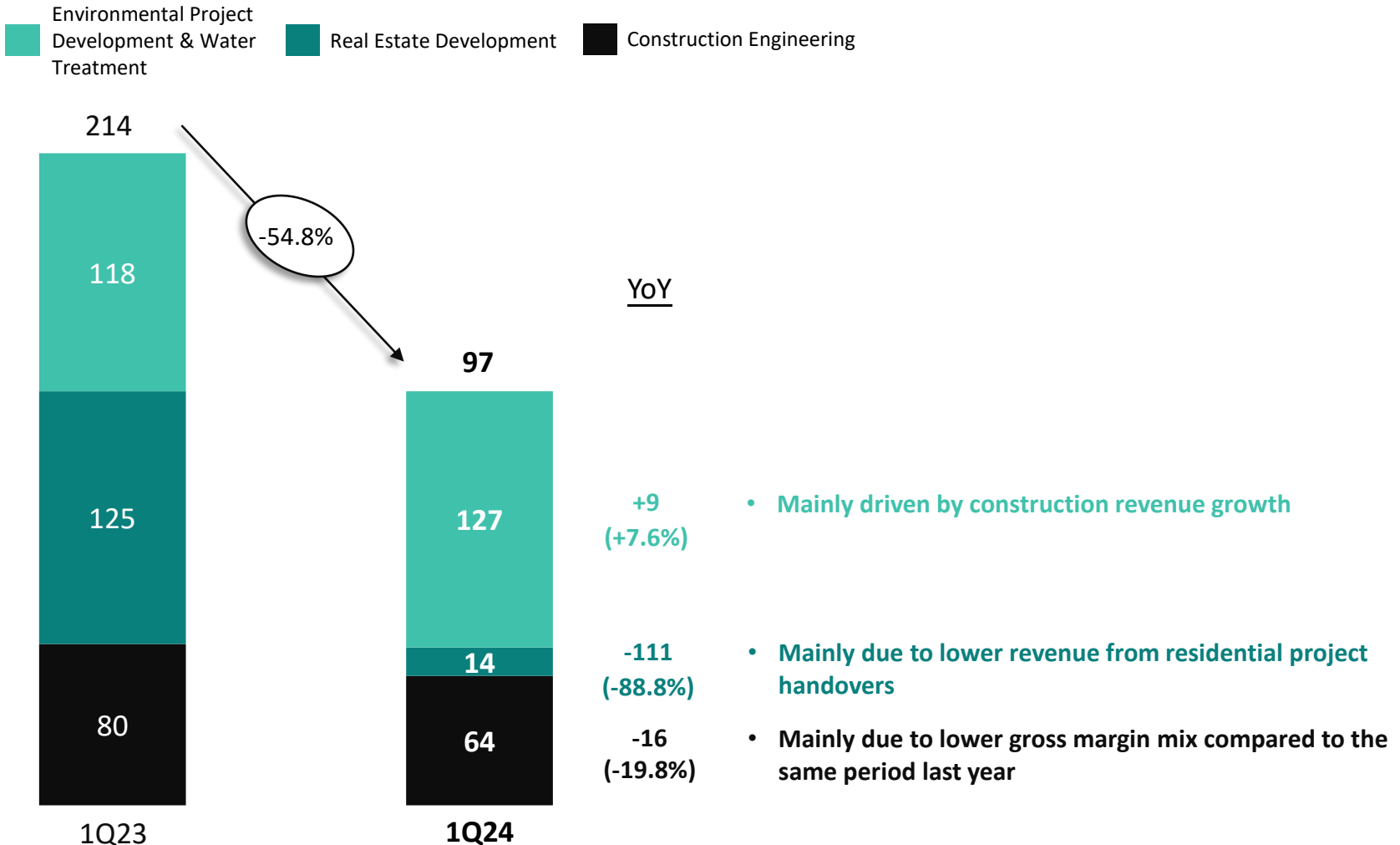
Consolidated Revenues of CHC and Each Business Segment (NT\$ M)



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

Q1 Net Profit of CHC and its Three Business Segments

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

Selected Items from Balance Sheet (NT\$ M)	2024.3.31		2023.12.31		2023.3.31	
	Amount	%	Amount	%	Amount	%
Cash and Cash Equivalents	5,932	7.4	6,878	8.8	6,174	8.5
Current Contract Assets	5,480	6.8	5,241	6.7	5,772	8.0
Account Receivable, Net	2,924	3.6	2,987	3.8	2,178	3.0
Inventories	31,042	38.7	25,205	32.1	23,904	33.0
Property, Plant and Equipment	9,744	12.2	9,530	12.2	9,414	13.0
Investment Property, Net	3,277	4.1	8,015	10.2	8,025	11.1
Long-term Accounts Receivables	6,183	7.7	5,876	7.5	5,810	8.0
Total Assets	80,196	100	78,411	100	72,543	100
Short-term Interest-bearing Loans	20,451	25.5	17,135	21.9	14,048	19.4
Current Contract Liabilities	8,501	10.6	7,663	9.8	6,842	9.4
Accounts and Notes Payable	6,037	7.5	6,578	8.4	5,503	7.6
Long-term Interest-bearing Loans	9,715	12.1	12,189	15.5	11,734	16.2
Total Liabilities	50,049	62.4	47,635	60.8	44,289	61.0
Total Equity	30,147	37.6	30,776	39.2	28,254	39.0

Recap of Recent Business Development

- **Construction Engineering Business**

- Awarded the *Taoyuan Urban District Railway Underground Project of Zhongli Station Section (Contract CJ17)* with a contract value of NT\$15.58B (tax included)
- Awarded the *Nangang Rail Yard Urban Renewal Project (Unit I)* with a contract value of NT\$10.71B (tax included)

- **Real Estate Development Business**

- The handover of residential project *Tianjin Street Project* has commenced, and the pre-sale of projects *Green Utopia*, *Poetic Yard* have commenced
- Completed signing the joint development agreement for the project located at Guanghua Section, North Dist., Hsinchu City

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

- Completed the first phase of *Chungli Area Sewerage System BOT* project with a domestic sewage treatment capacity of 39,200 CMD

Solid Revenue Backlog of Three Business Segments

Construction Engineering

NT\$101.2B
(Record High)

4.9x of 2023 Revenues

+NT\$21.2B QoQ, mainly due to the acquisition of new projects

Real Estate Development

NT\$13.2B

1.8x of 2023 Revenues

- **+NT\$0.8B** QoQ, mainly due to the sale of pre-sale and completed residential projects

Environmental Project Development & Water Treatment

NT\$68.5B

14.3x of 2023 Revenues

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

Note:

1. Revenue backlog is as of the end of Q1, 2024; 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. Revenue backlog for Environmental Project Development & Water Treatment Business 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 2024



Civil Construction - MRT

Taipei MRT Wanda Line (CQ840)

Taipei MRT Circular Line (CF680C)

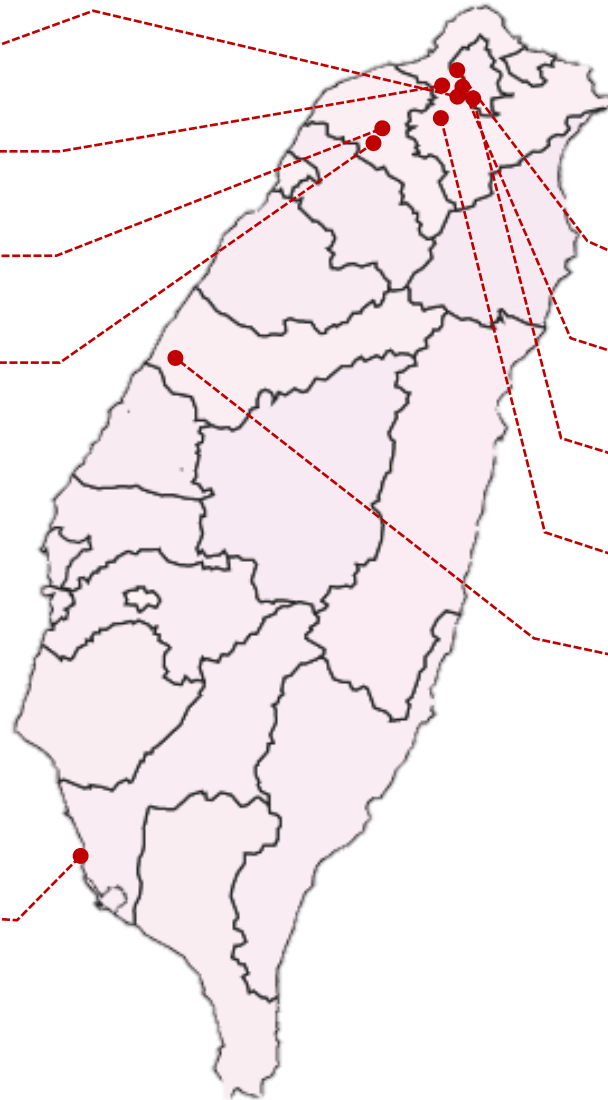
Taoyuan MRT Green Line (GC03)

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)

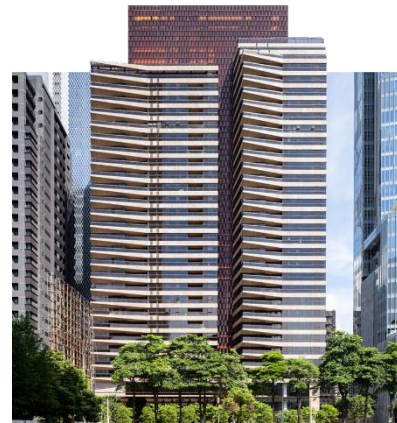
Residential Project Pipeline – Completion



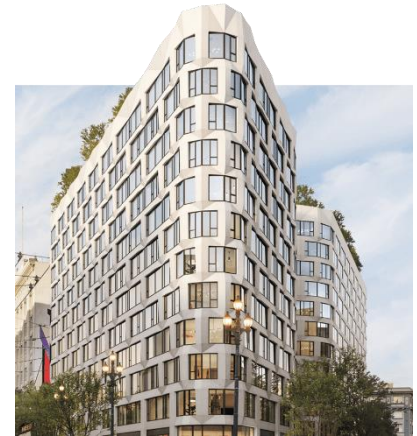
55 Timeless
Taipei City



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 54.74% stake.

Residential Project Pipeline – 2024-2026

Project Name	Location	Type	Residence Value ¹ (NT\$)	Estimated Timeline ²		
				2024	2025	2026
Tianjin Street Project Sold out	Taipei	Residence	2.23B	Handover in progress		
Arranging New Asia Bay ³ Sold out	Kaohsiung	Residence/Hotel (Hotel Nikko)	3.51B	V		
Duan Mei Sold out	New Taipei	Residence	0.53B		V	
Sensuous Garden	Taipei	Residence/Hotel (Hyatt Centric)	4.62B		V	
Belle Époque ⁴	Taichung	Residence/Office	4.70B		V	
Prologue Eternal	Taipei	Residence	4.50B			V
The Lantern Bangsar ⁵	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%)
- Denotes the estimated value of residential properties. Sales revenue for commercial properties is recognized based on the completion percentage method.
- Owned by CDC subsidiary which CDC holds 60% stake.

Residential Project Pipeline – beyond 2026

Location	Land Lot	Geographical Location	Estimated Residence Value*	Estimated Timeline
Taipei City	Tonghua Section, Daan District (Metropolitan Village)	Near <i>MRT Xinyi Anhe Station</i>	3.89B	2027
	Yaxiang Section, Xinyi District	Current site of Taipei Children Welfare Center	Planning	Planning
	Nangang Section, Nangang District	Near <i>MRT Nangang Software Park Station</i>	Planning	Planning
	Xuefu Section, Daan District	located at <i>Dunhua South Road Area</i>	Planning	Planning
New Taipei City	Jiangzicui Section, Banqiao District	Across <i>Siwei Park</i>	5.24B	2028
	Xinya Section, Banqiao District	Near <i>MRT Far Eastern Hospital Station</i>	4.32B	2027
Hsinchu County	Daxue Section, Zhubei City	Near <i>Far Eastern Department Store Zhubei Branch</i>	Planning	Planning
Hsinchu City	Guanghua Section, North District	Near Performing Arts Center of the Cultural Affairs Bureau, Hsinchu City	Planning	Planning
Taichung City	Dagui Section, Beitun District	Located in <i>Dakeng Scenic Area</i>	Planning	Planning
	Intercontinental Section, Beitun District (14th Redevelopment Zone)	Across <i>Ssu Chang Li Park</i>	4.25B	2027
Kaohsiung City	Houjin Section, Qianjin District	Current site of Ambassador Hotel Kaohsiung	Planning	Planning

* Total residence value amounts to be received by CDC

High Proportion of Housing Aged over 30 Years in Primary Markets Drives Long-Term Business Development

Area	Number of Housing	Average Age of Housing	Percentage of Housing Aged over 30 years
✓ Taipei City	907,338	37.63	72.06%
✓ New Taipei City	1,701,137	31.19	48.77%
Taoyuan City	910,630	27.49	36.97%
✓ Taichung City	1,113,792	29.54	44.06%
Tainan City	736,272	33.95	53.92%
✓ Kaohsiung City	1,123,088	32.94	53.88%
✓ Hsinchu County	228,571	27.41	36.90%
✓ Hsinchu City	184,041	28.23	39.30%
National	9,190,160	32.00	52.59%

Source: Real Estate Information Platform of the Ministry of the Interior, Q4 2023 housing data

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



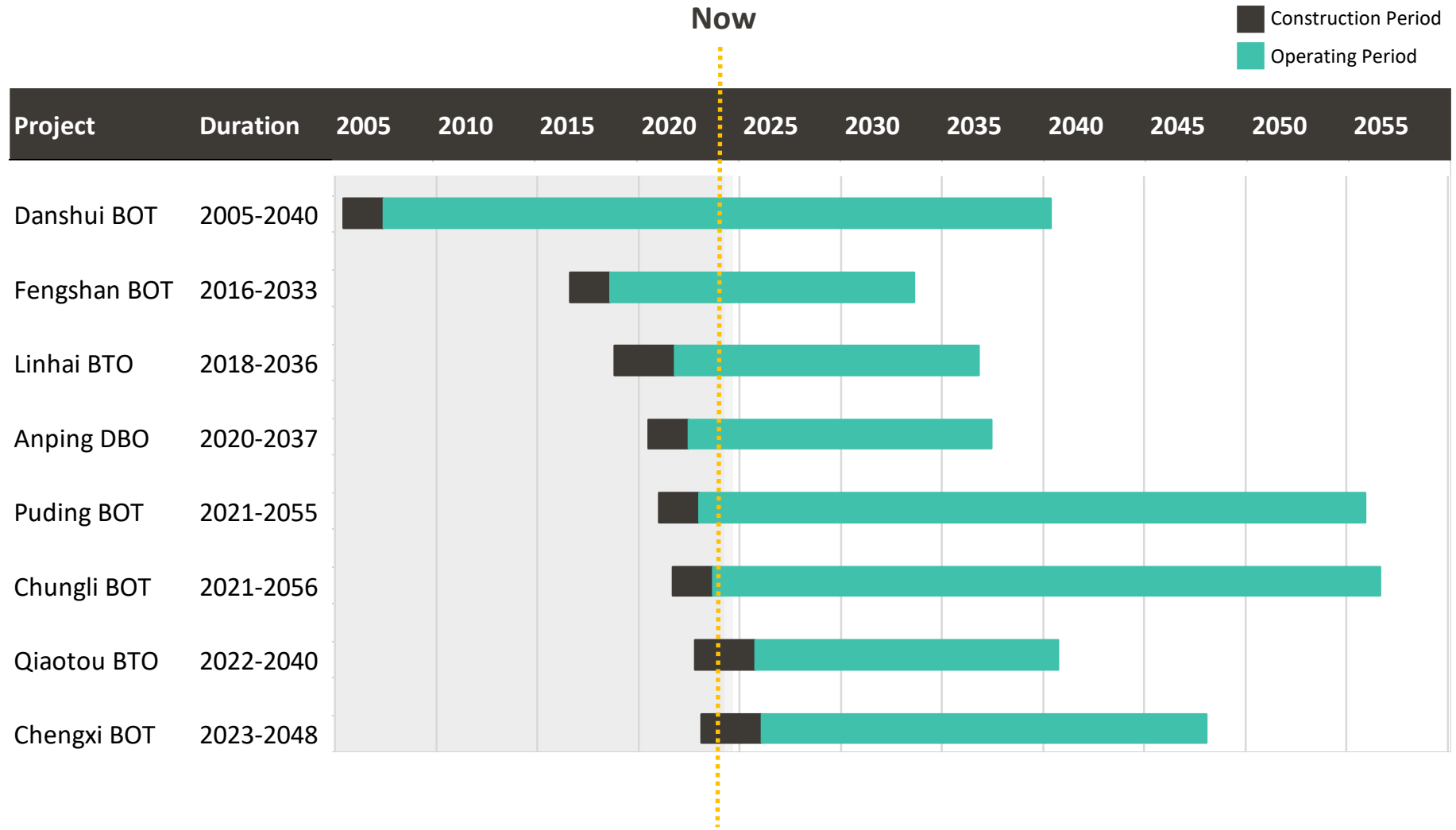
Dazhi Commercial Building⁴
Taipei, Taiwan
Building permit obtained
Expected completion in 2026



Daan District Office Building⁵
Taipei, Taiwan
Expected completion in 2029

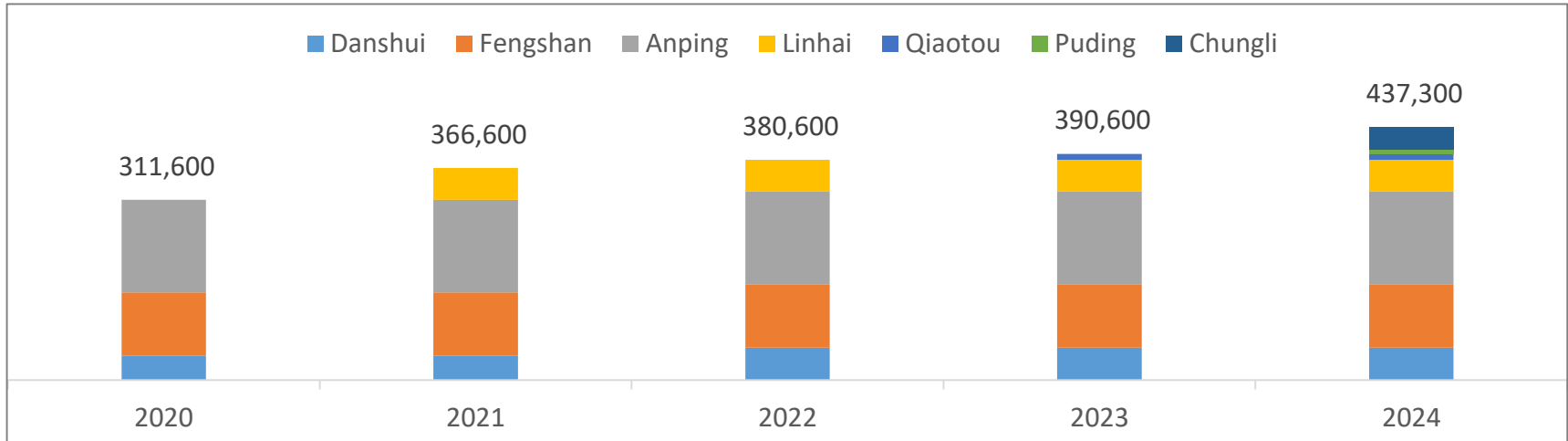
1. Leased to My Humble House Group for rental income. Public auction announced on 3/25
2. Owned by CDC subsidiaries and managed by THE LINE and Capri by Fraser respectively. CDC owns 54.74% and 55% stake in each project company respectively.
3. Owned by JV between Daiwa House Group (Japan) (65%) and 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. National Housing and Urban Regeneration Center(HURC) is the implementer, and CDC is the investor. The office building owned by HURC will be entrusted to management for 20 years.

Environmental Project Development & Water Treatment Business – 6 Projects in Operation Contribute to Stable Revenue Stream

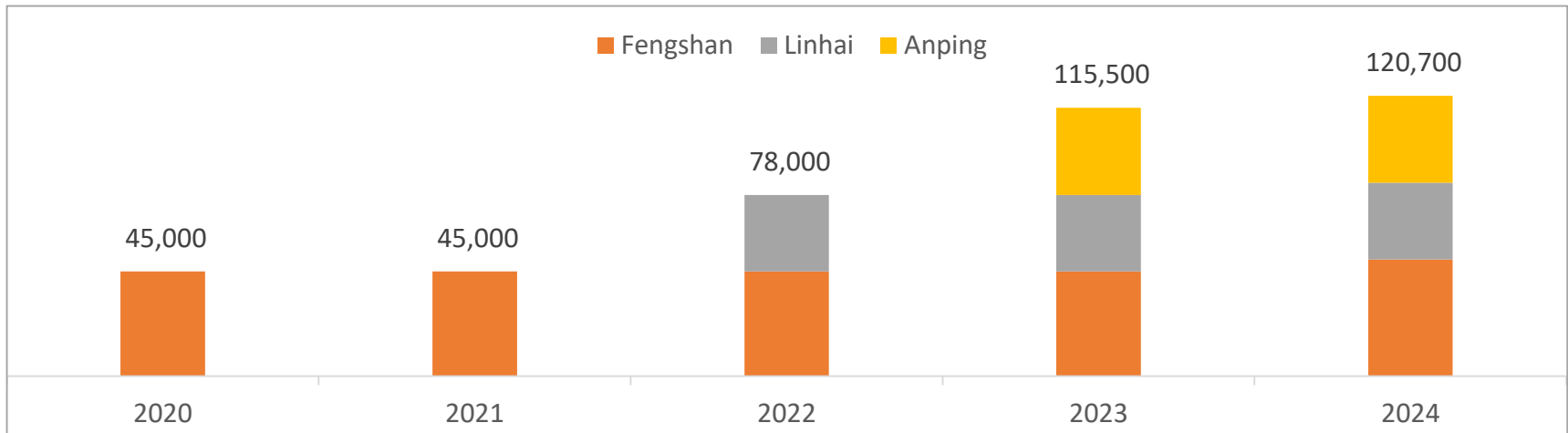


Environmental Project Development & Water Treatment Business – Capacity Expansion of Wastewater Treatment and Reclaimed Water

Wastewater Treatment (CMD)



Reclaimed Water Supply (CMD)



* The volumes of wastewater treatment and reclaimed water supply are design capacities, rather than actual treatment or supply volumes.



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