CONTINENTAL 欣陸投控
HOLDINGS CORPORATION

Continental Holdings Corporation

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2023 First Quarter Earnings Conference

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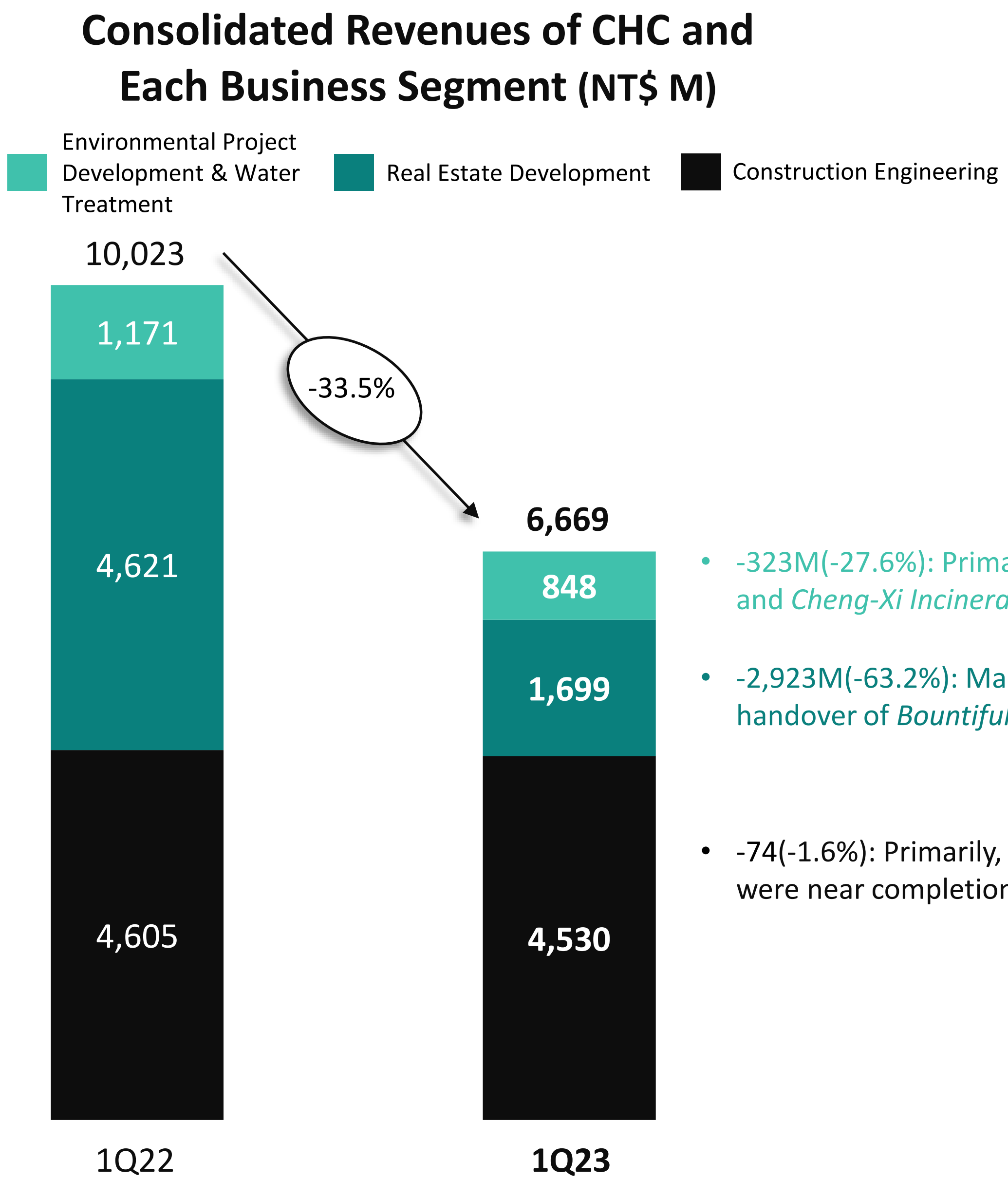
FY2023 First Quarter Financial Results

Selected Items from Income Statement *(In NT$ millions unless otherwise noted)*	**1Q23**	**1Q22**	**YoY**
Total Revenue	**6,669**	**10,023**	**-33.5%**
Gross Profit	850	1,868	-54.5%
Gross Margin	**12.7%**	**18.6%**	**-5.9 ppt**
Operating Expense	449	463	-3.0%
Operating Profit	**401**	**1,405**	**-71.4%**
Operating Profit Margin	6.0%	14.0%	-8.0 ppt
Non-Ops	(201)	(53)	-282.3%
Net Income, attributable to owners of parent	**214**	**1,239**	**-82.7%**
Net Margin	3.2%	12.4%	-9.2 ppt
EPS (NT$)	0.26	1.50	-82.7%

FY2023 Q1 Revenues of CHC and its Three Business Segments

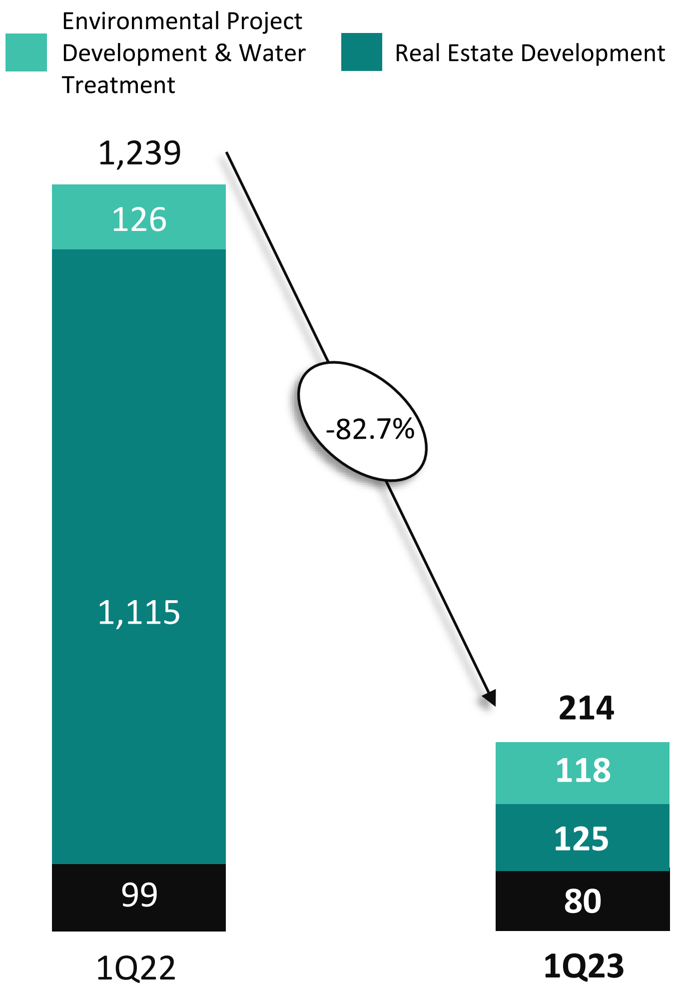


- -323M(-27.6%): Primarily, the newly acquired *Qiaotou Reclaimed Water Plant* and *Cheng-Xi Incineration Plant Renewal* didn't ramp up yet
- -2,923M(-63.2%): Mainly due to a higher revenue base from the peak handover of *Bountiful Journey*
- -74(-1.6%): Primarily, some private sector building construction projects were near completion and newly acquired projects didn't ramp up yet

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

FY2023 Q1 Net Profit of CHC and its Three Business Segments

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



- -8M(-6.5%): Mainly due to revenue decrease
- -990M(-88.8%): Mainly due to a decrease in revenue and gross margin
- -19M(-19.3%): Mainly due to revenue decrease and the higher FX gain in the same period last year

* 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)	2023.3.31		2022.12.31		2022.3.31	
	Amount	%	Amount	%	Amount	%
Cash and Cash Equivalents	6,174	8.5	5,822	7.8	6,145	8.7
Current Contract Assets	5,772	8.0	5,915	7.9	4,841	6.8
Account Receivable, Net	2,178	3.0	2,277	3.0	3,863	5.5
Inventories	23,904	33.0	24,855	33.1	27,110	38.3
Property, Plant and Equipment	9,414	13.0	9,551	12.7	4,359	6.2
Investment Property, Net	8,025	11.1	8,031	10.7	8,676	12.3
Long-term Accounts Receivables	5,810	8.0	5,483	7.3	5,550	7.9
Total Assets	**72,543**	**100**	**75,050**	**100**	**70,695**	**100**
Short-term Interest-bearing Loans	14,048	19.4	16,775	22.4	11,827	16.7
Current Contract Liabilities	6,842	9.4	7,508	10.0	7,969	11.3
Accounts and Notes Payable	5,503	7.6	6,093	8.1	5,991	8.5
Long-term Interest-bearing Loans	11,734	16.2	11,482	15.3	11,937	16.9
Total Liabilities	**44,289**	**61.0**	**45,669**	**60.9**	**42,747**	**60.5**
Total Equity	**28,254**	**39.0**	**29,381**	**39.1**	**27,948**	**39.5**

Recap of Recent Business Development

- **Construction Engineering Business**
  – Selected by Taipei City's Department of Rapid Transit Systems as the principal contractor for CF670A Contract for the south section of Taipei MRT Circular Line with a contract value of approximately NT$8.838 bn (tax included) (2023/3)

- **Real Estate Development Business**
  – Acquired a land located at the Nangang section, Nangang district, Taipei city for property development (2023/3)

Solid Backlog of Three Business Segments

Construction Engineering

Backlog

NT$**78.9B**

4.0x of 2022 Revenues

- **+NT$4.4B** QoQ, mainly due to newly acquired CF670A contract for the south section of Taipei MRT Circular Line
- **Record** construction backlog

Real Estate Development

Revenue backlog

NT$**13.2B**

1.4x of 2022 Revenues

- **-NT$1.3B** QoQ, mainly due to handover of *Drawing the Dream Life* project

Environmental Project Development & Water Treatment

Contracts on hand

NT$**71.7B**

15.2x of 2022 Revenues

- **+NT$26.7B** QoQ, mainly due to newly acquired *Cheng-xi Incineration Plant Renewal* BOT Project
- **Record** contracts on hand

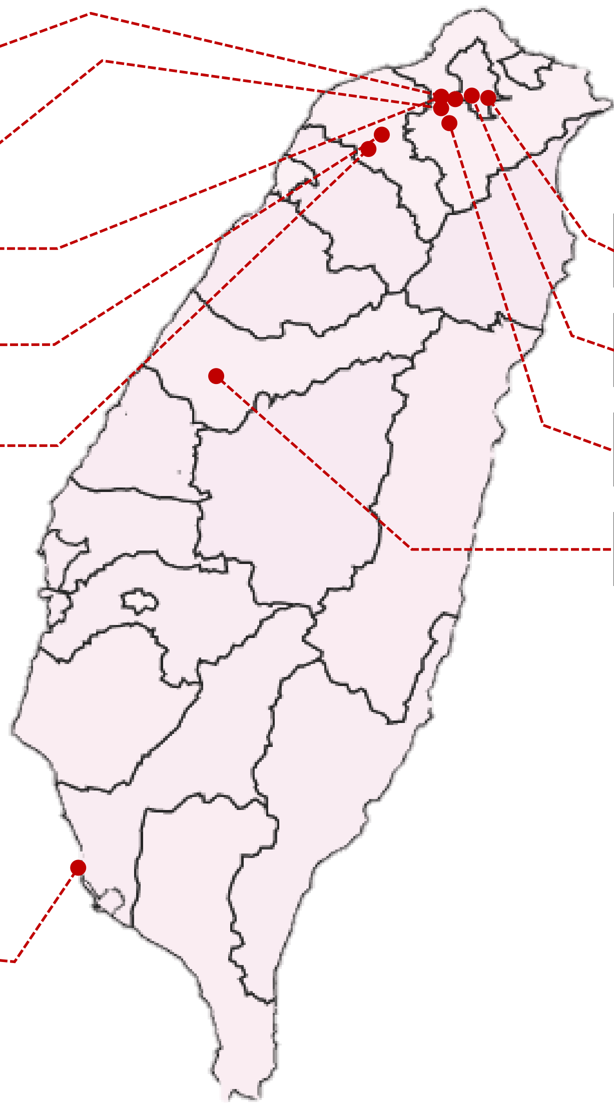
Note:

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



Building Construction

Nangang Depot	(Public Housing)
Xinyi A7 Project	(Hotel and Retail)
NexGen	(Residence)
CMP Midtown	(Residence)

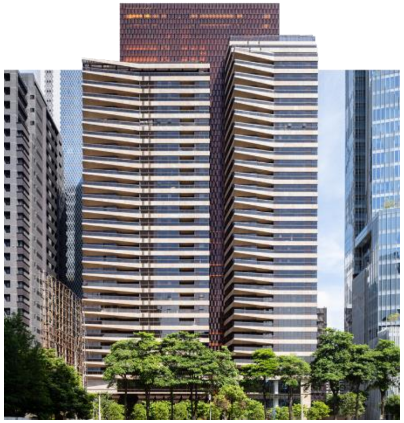
Civil Construction – Harbour/Marine

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

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 in progress		
Timeless and Modern Expression (Sold out)	Taipei	Residence	2.39B	V		
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. (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.
2. Denotes the year in which the project would start handover and recognize revenues.
3. 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 *MRT Xinyi Anhe Station*
	Yaxiang Section, Xinyi District	Current site for Taipei Children Welfare Center
	Nangang Section, Nangang District	Near *MRT Nangang Software Park Station* and *CTBC Financial Park*
New Taipei City	Jiangzicui Section, Banqiao District	Across *Siwei Park*
	Xinya Section, Banqiao District	Near *MRT Far Eastern Hospital Station*
Taichung City	Dagui Section, Beitun District	Located in *Dakeng Scenic Area*
	Intercontinental Section, Beitun District (*14th Redevelopment Zone*)	Across *Ssu Chang Li Park*
Kaohsiung City	Houjin Section, Qianjin District	Current site of Ambassador Hotel Kaohsiung
Malaysia*	Bangsar District, Kuala Lumpur	Near *KL Sentral Station*

*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 recognition in 2026.

Commercial Project Pipeline of Real Estate Development Business

Humble Boutique Hotel[1]
Taipei, Taiwan
In operation

The LINE Hotel[2]
San Francisco, CA, USA
In operation

Capri by Fraser[2]
Kuala Lumpur, Malaysia
In operation

Hotel Nikko[3]
Kaohsiung, Taiwan
Scheduled opening in 2024

Dazhi Commercial Building[4]
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 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. 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 is expected to receive 41% of the total project value.

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	(Reclaimed Water)	(Wastewater)
	Qiaotou Reclaimed Water Plant	Kaohsiung	BTO	2022 – 40	(Reclaimed Water)	(Wastewater)
Waste Treatment	Chengxi Incineration Plant Renewal	Tainan	BOT	2023 – 48		

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