



Stock Code : 2612 TT

Investor Presentation

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Summary of Presentation

- Capesize Market Outlook
- Dry Bulk Shipping Market Trends
- The Company Overview
- Appendices

Outlook



Capesize Market Outlook

Lackluster Q4 but Market Rallys in December

- 5TC average reached highest level this year at US\$34,896 in the early Q4 but momentum evaporated with rate retreated to US\$10,000
- Iron ore price hit 9-year high fueling cargo requirements and optimism before end of the year

PRC' s Strong Demand for Iron Ore

- PRC import volume in November reached 98 million tons while major port stockpile decreases slightly
- The country imported 1.073 billion tons in first 11 months representing 11% growth y-o-y

Net Fleet Growth Remains High

- Over 100 Newbuildings have joined fleet in first 11 months while the number of demolition has exceeded that of 2019
- Capesize fleet' s net dwt growth is 3.39% so far in 2020

Short-term Outlook

- In addition to uncertainty caused by the resurgence of Covid-19, pressure from newbuilding deliveries also has negative affect on the freight
- Q1 has been weaker in previous years but seaborne iron ore demand is expected to increase before Chinese New Year



Focal Points of Q1/2021



1

Global Economy Likely to Recover

Global economy is expected to grow by 5% next year as Covid-19 vaccine develops rapidly and PRC economy continues to improve going forward

2

Tension Between PRC and Australia

PRC' s boycott of Australian coal continues with ships staying in anchorage for several months waiting to discharge cargo. However, PRC government may temporarily relax import restrictions due to shortage and cold weather

3

Brazilian Iron Ore Exports

Brazil' s rainy season will affect mining operation and transportation which may have negative impact on exporting volumes

4

Vessel Operation

Provision and Crew Change are still being restricted – Owners have to make advanced plans to minimize extra time and expenses

Shipping Market Outlook - Demand



Iron Ore

Clarksons Platou forecasts Chinese iron ore imports to increase by 9% in 2020 while Brazilian export volume is expected to decrease by 4% and Australian export volume increases by 5%; global iron ore demand is projected to grow by 3% in 2020

Coal

Clarksons Platou forecasts Chinese coal imports to drop by 12% in 2020 while Australian export volume is expected to decrease by 6% and Indonesian export volume drops by 13%; global Coal demand is projected to decrease by 10% in 2020



Shipping Market Outlook - Supply

Newbuildings

According to IHS Markit, 106 newbuilding had been delivered in first 11 months. 126 and 89 large bulkers (100-400k dwt) are expected to be delivered in 2020 and 2021, respectively while fleet net growth is estimated at 3.5% for this year



Ship Scrapping

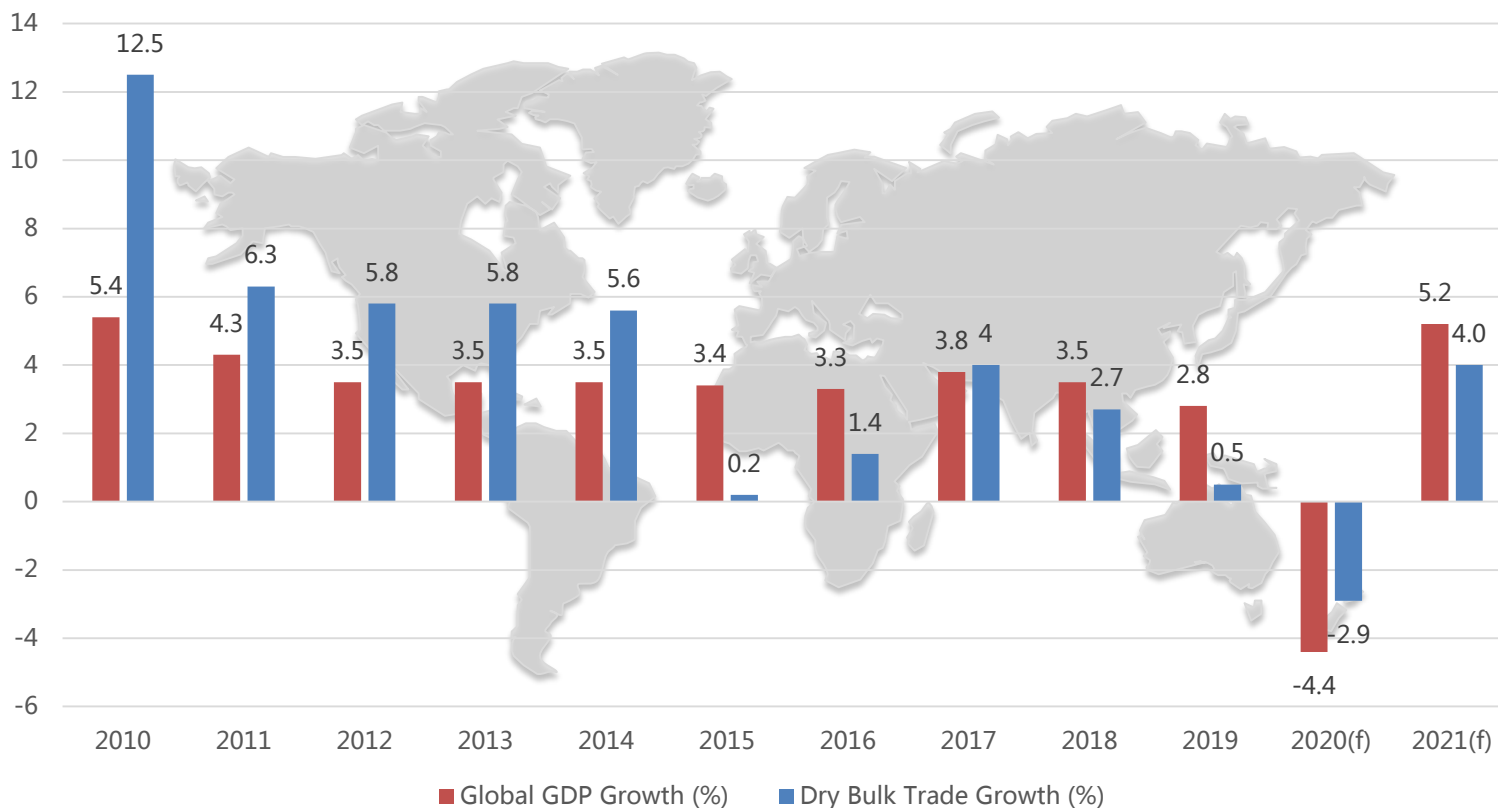
50 large bulkers have been scrapped so far this year and scrapping of all vintage VLOC is expected to be completed soon

Dry Bulk Shipping Market Trends



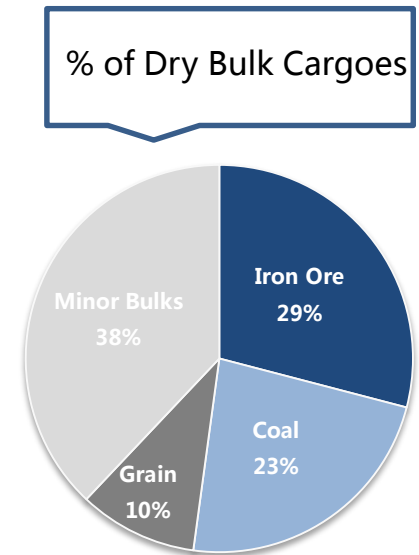
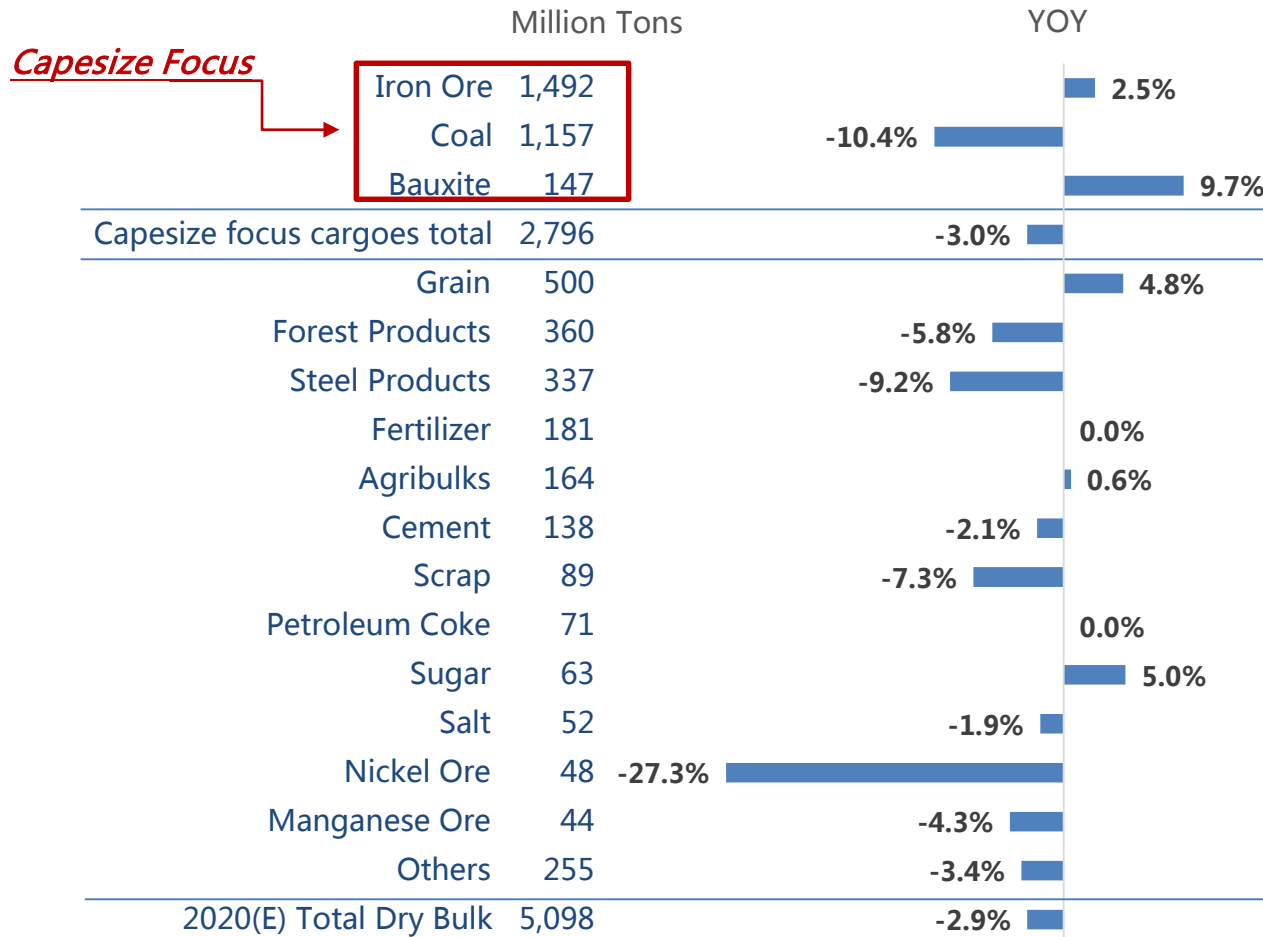
Global Economy Shall Recover in 2021

- IMF projects global GDP to shrink by 4.4% in 2020 but grow by 5.2% in 2021
- Clarksons Platou forecasts dry bulk seaborne trade to increase by 4.0% in 2021



Source: IMF / Clarksons Platou

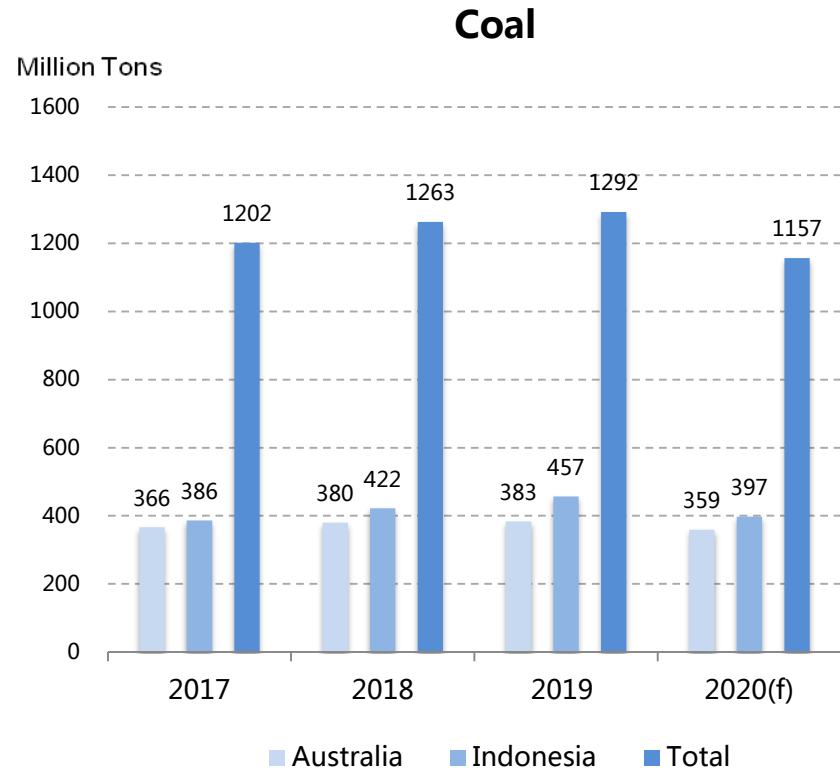
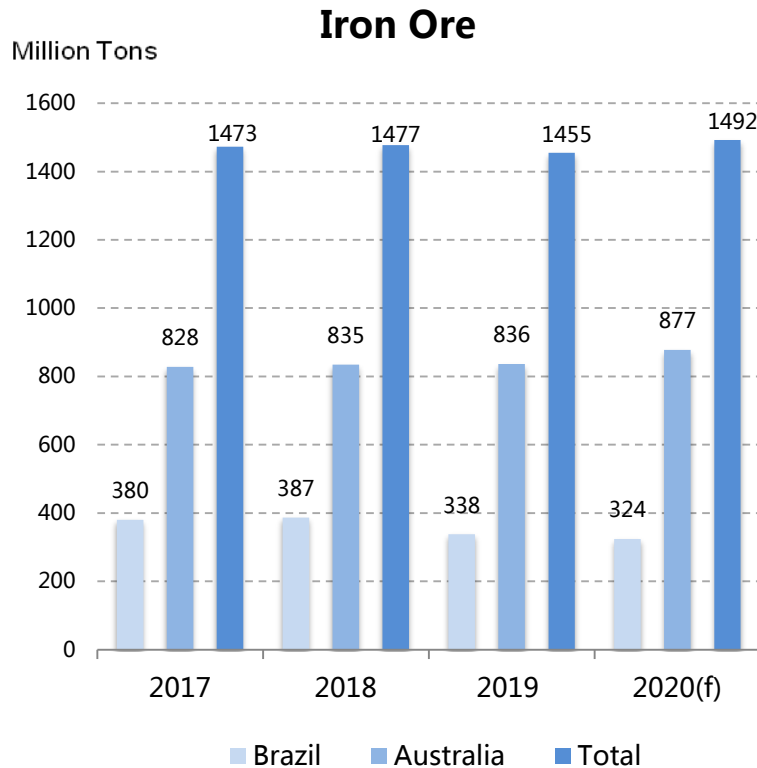
Dry Bulk Seaborne Trade Expects to Fall by 2.9%



Source: Clarksons Platou

Global Iron Ore/Coal Exports

- Clarksons Platou forecasts global iron ore exports to increase by 3% while coal exports to decrease by 10% in 2020
- Clarksons Platou forecasts global iron ore exports to increase by 2% while coal exports to increase by 5% in 2021



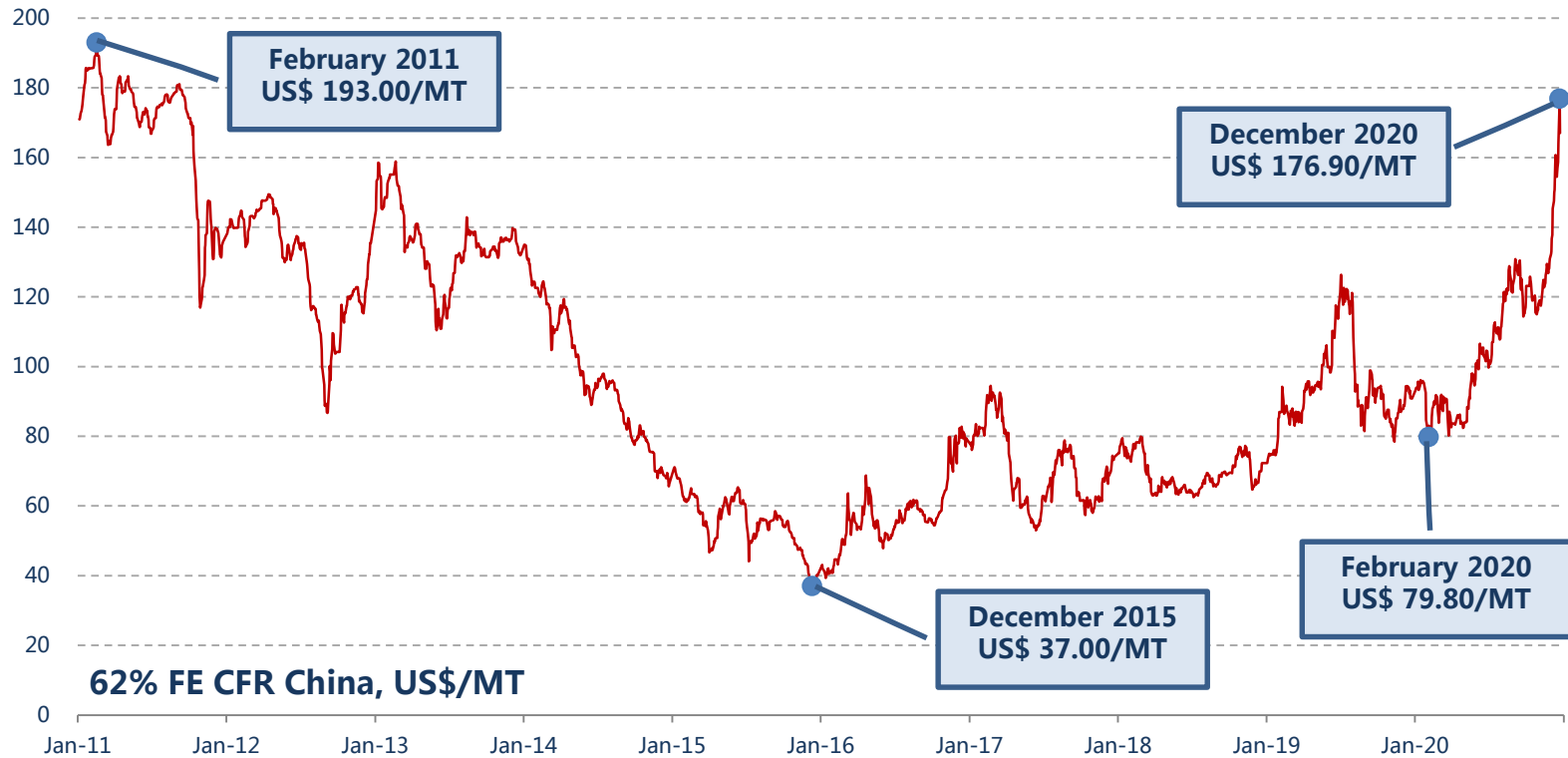
Source: Clarksons Platou

Vale Adjusted 2020/21 Iron Ore Production

	Capacity (Mtpy)			
	Today ¹	End of 2021	End of 2022	Long-term
Northern System	206	206	230	260
Southeastern System	61	77	101	106
Southern System	51	65	67	82
Midwestern System	2	2	2	2
 VALE	320	350	400	450
2020 production	300-305 Mt			
2021 production	315-335 Mt			

Source: Vale

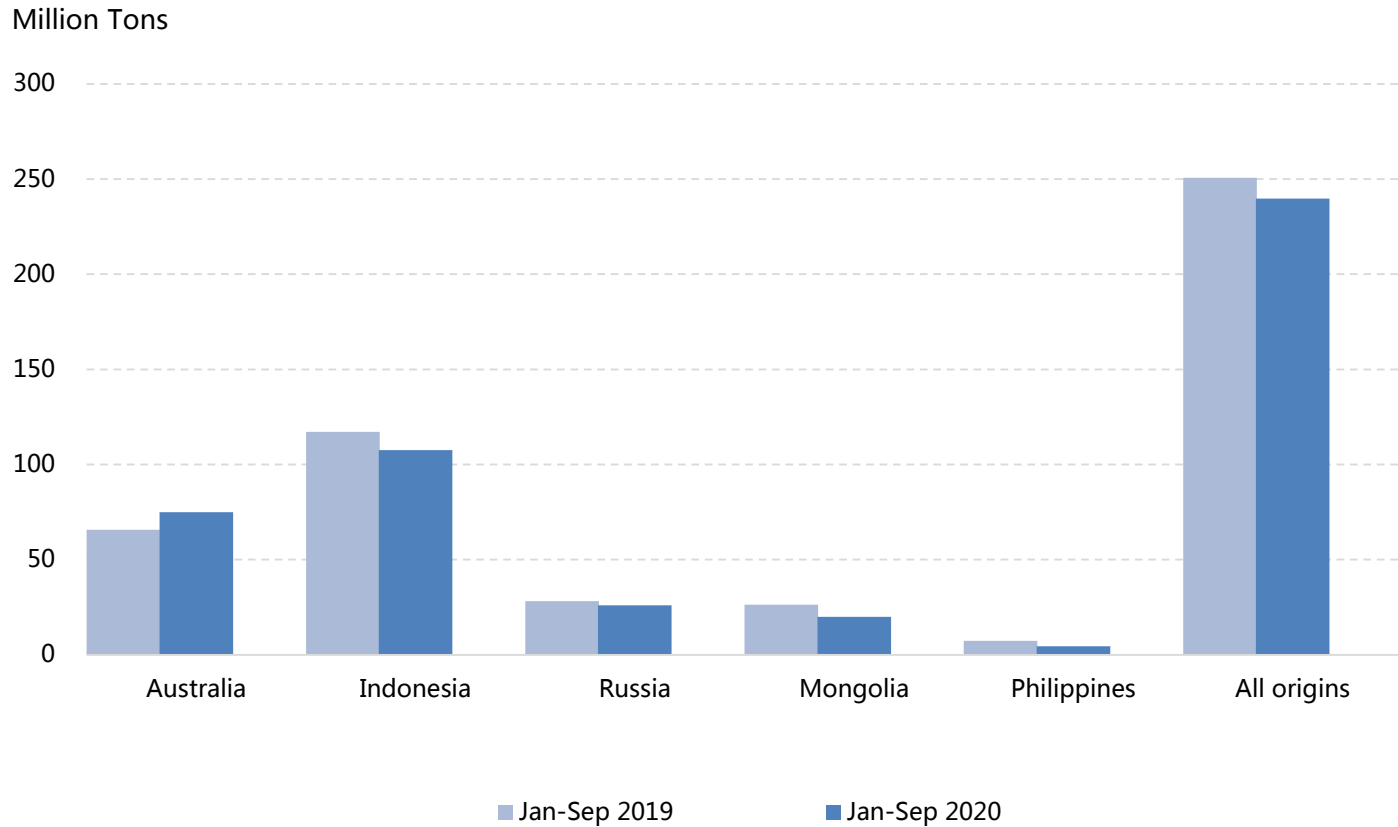
Iron Ore Price Hit Record High



Source: SSY

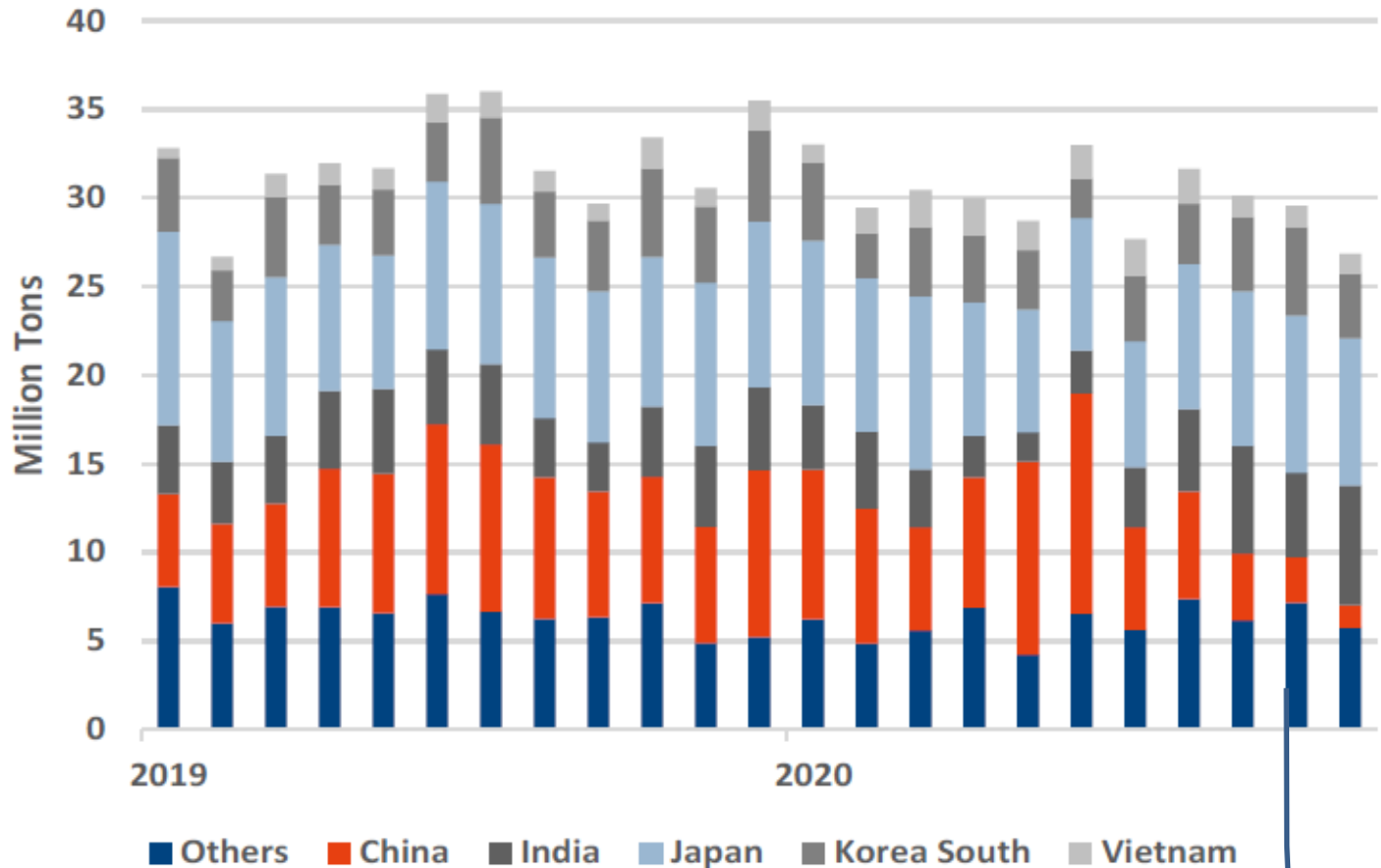
PRC Coal Imports Q1-Q3/2020

PRC Coal Imports



Source: China Customs

2019-2020 Australia Coal Exports



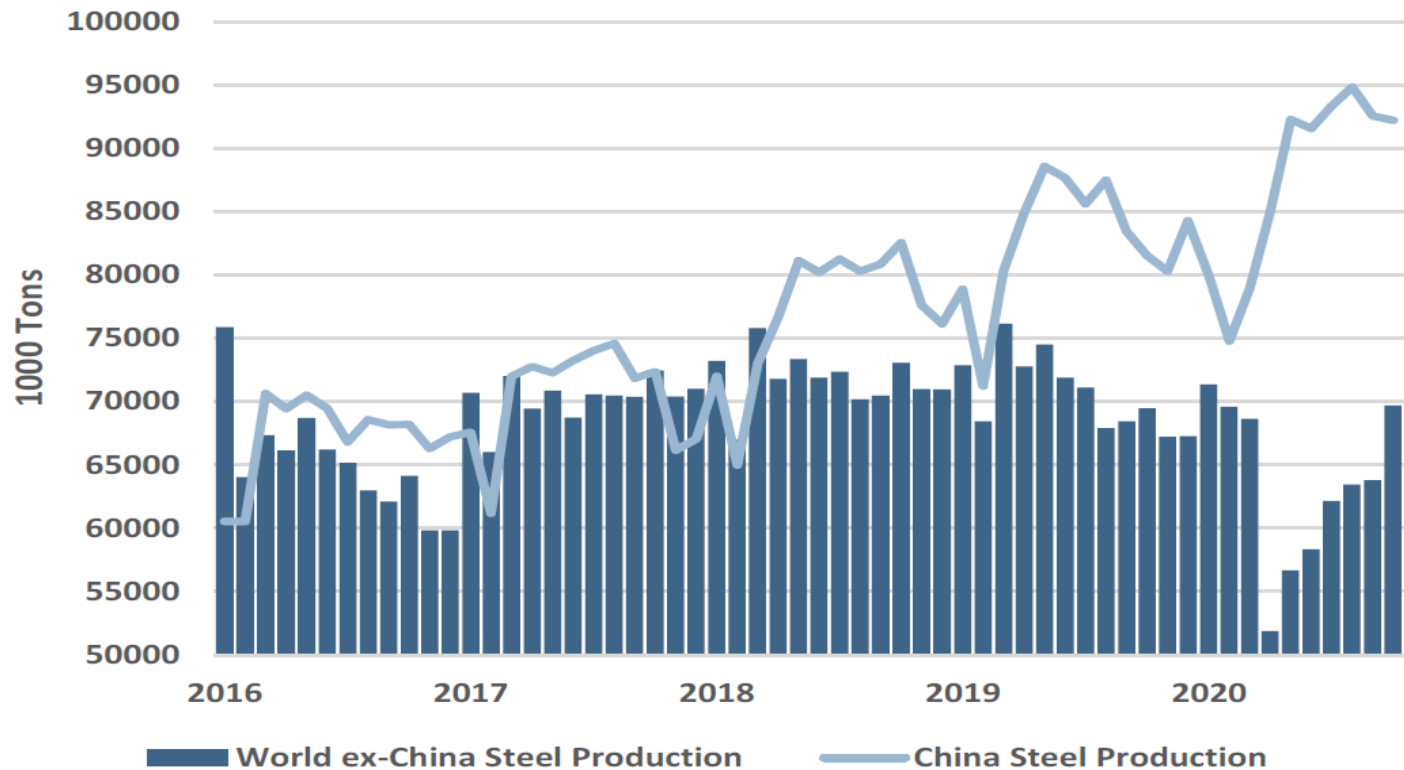
Australia Coal Exports, by Country

Market reported PRC ban of coal from Australia

Source: World Steel Association

Global Steel Production Recovers

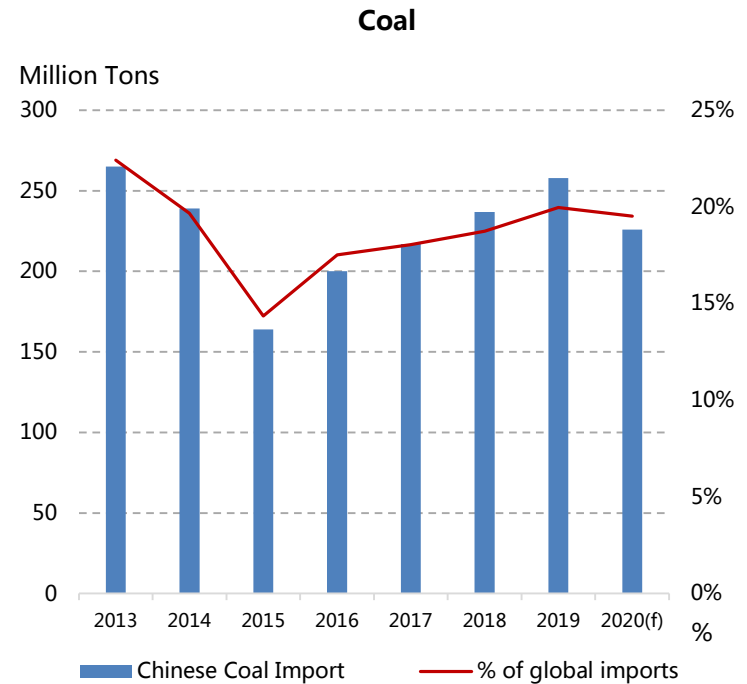
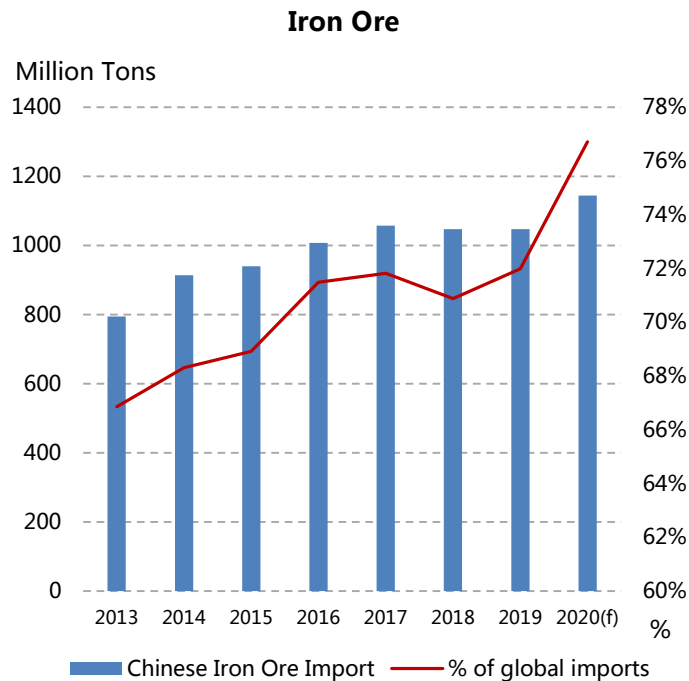
PRC' s y-o-y growth rate during Jan-Oct 2020 is 5.5%;
full year y-o-y projection is 5.4%



Source: World Steel Association & Fearnleys

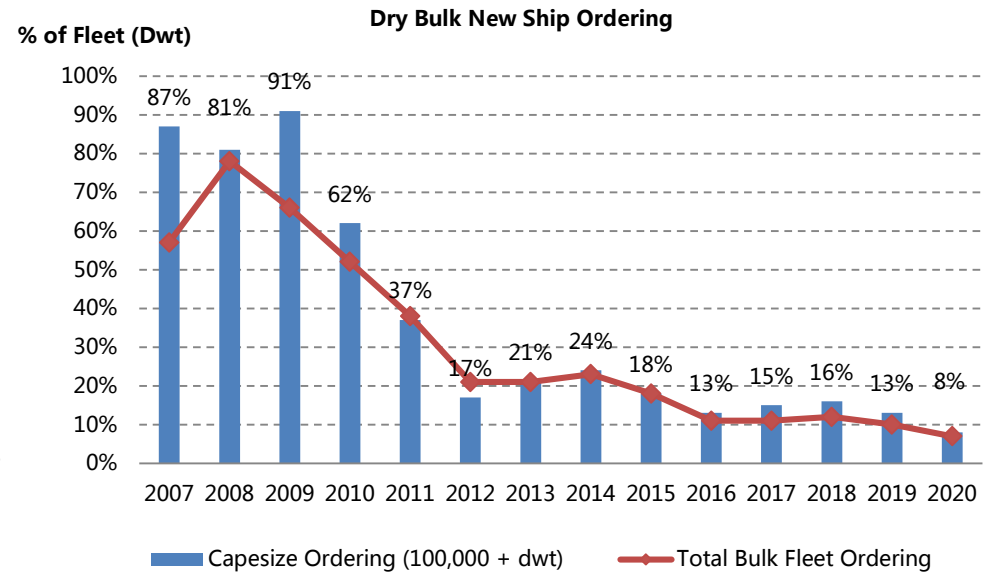
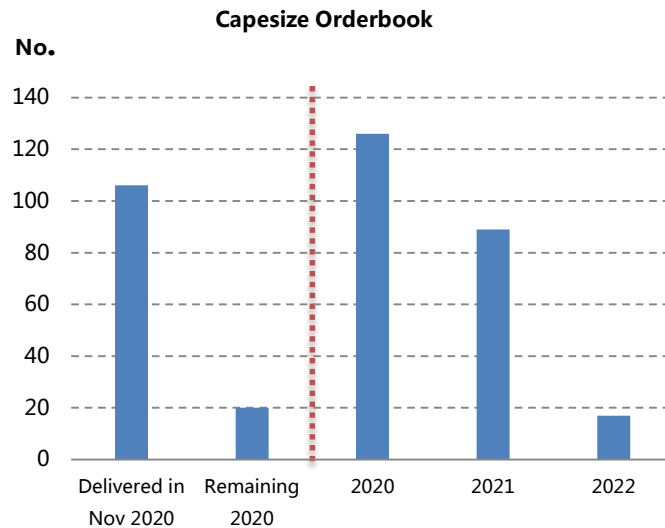
Chinese Commodity Imports

- PRC' s demand for iron ore is estimated to increase by 9% in 2020 to 1.144 billion tons
- PRC' s demand for coal imports is projected to decrease by 12% in 2020 to 226 million tons
- PRC' s demand for bauxite imports will grow by 16% in 2020 to 120 million tons







Source: Clarksons Platou

Bulker Newbuilding Orders are Shrinking

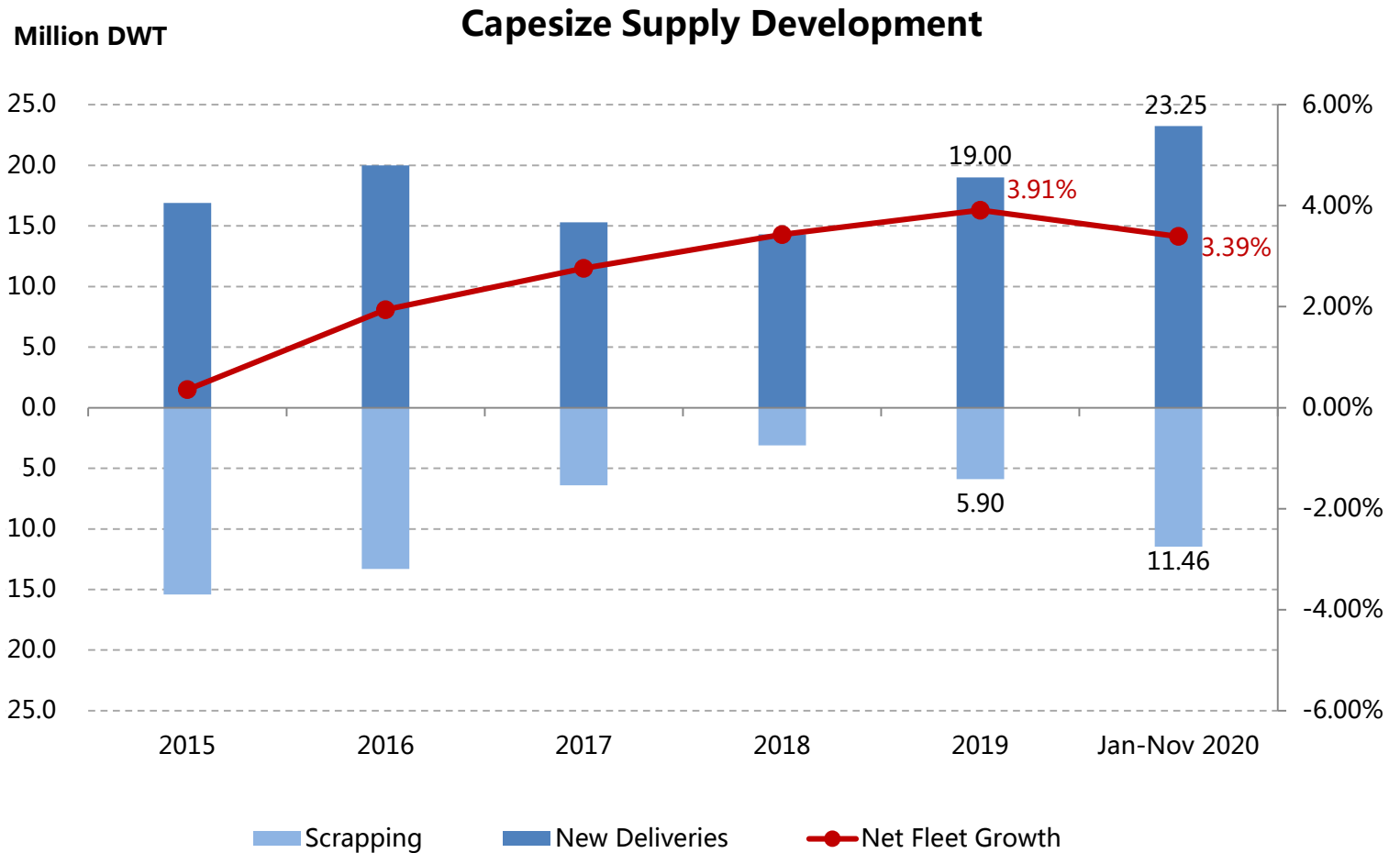


■ Capesize Ordering (100,000 + dwt)
 ◆ Total Bulk Fleet Ordering

	ORDERBOOK AS % OF EXISTING FLEET	AVERAGE AGE	OVER 20 YEARS OLD	JAN-NOV 2020 SCRAPPING AS % OF EXISTING FLEET
 Handysize (10,000 - 40,000 dwt)	3%	11.9	13%	0.85%
 Handymax (incl. Supramax & Ultramax) (40,000 - 65,000 dwt)	5%	10.0	7%	0.70%
 Panamax (incl. Kamsarmax) (65,000 - 100,000 dwt)	6%	10.2	9%	0.35%
 Capesize (100,000 + dwt)	8%	8.7	2%	2.61%
Total Dry Bulk > 10,000 dwt	6%	10.4	6%	1.39%

Source: Clarksons Platou

Capesize Fleet Growth Decelerates



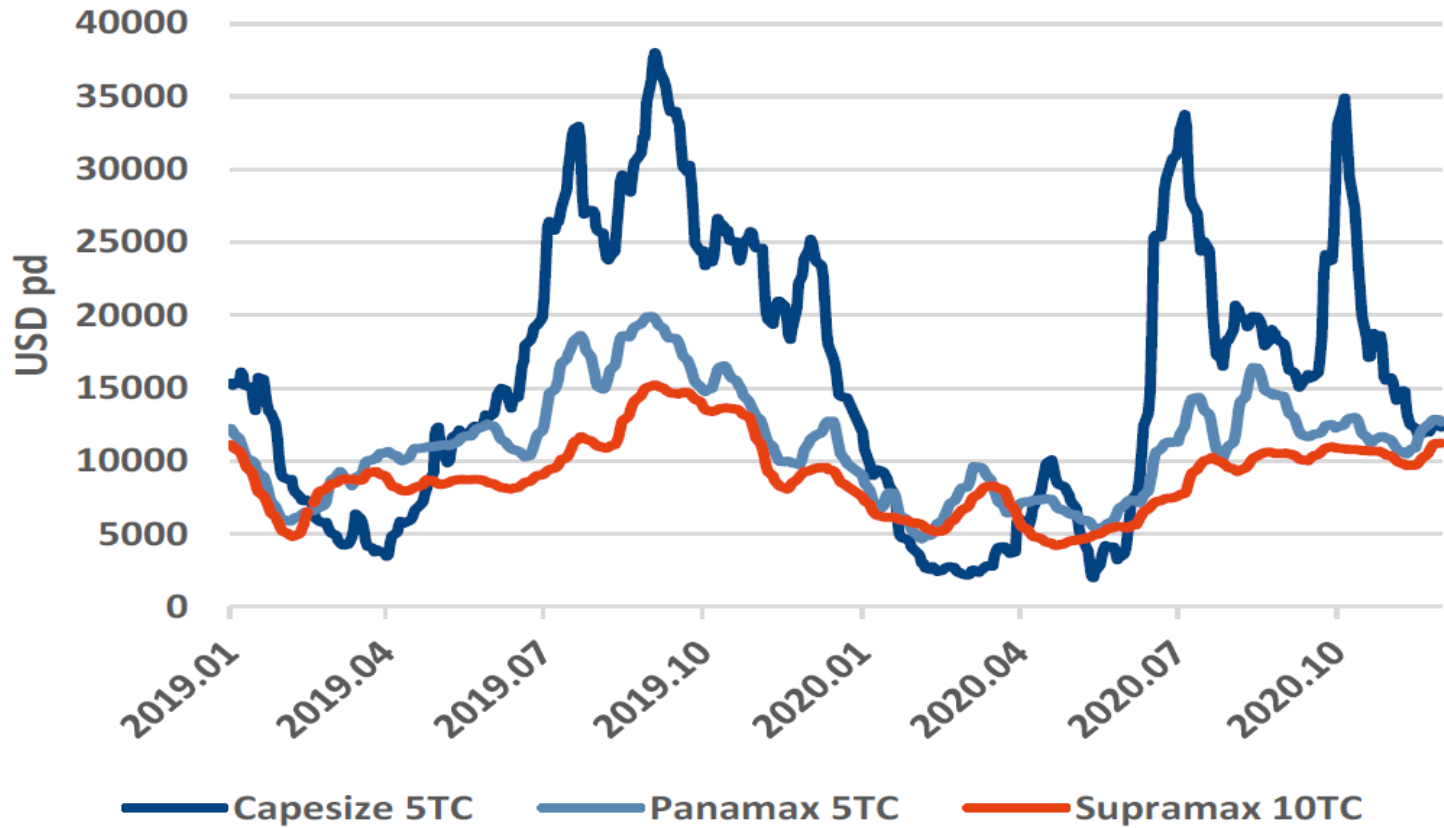
Source: Clarksons Platou

Newbuilding/2nd Hand Sale Prices

TYPE		PRICE (IN US\$ MILLION)		
YEAR		2018	2019	November 2020
208,000 DWT	NB	55.0	54.5	52.0
180,000 DWT	NB	50.0	49.5	46.5
180,000 DWT (ECO)	5-YR	41.3	37.5	35.5
180,000 DWT (NON-ECO)	5-YR	33.5	28.0	26.5
180,000 DWT	10-YR	24.0	22.0	19.5
176,000 DWT	15-YR	15.0	13.5	12.8

Source: Clarksons Platou / Internal Assessment

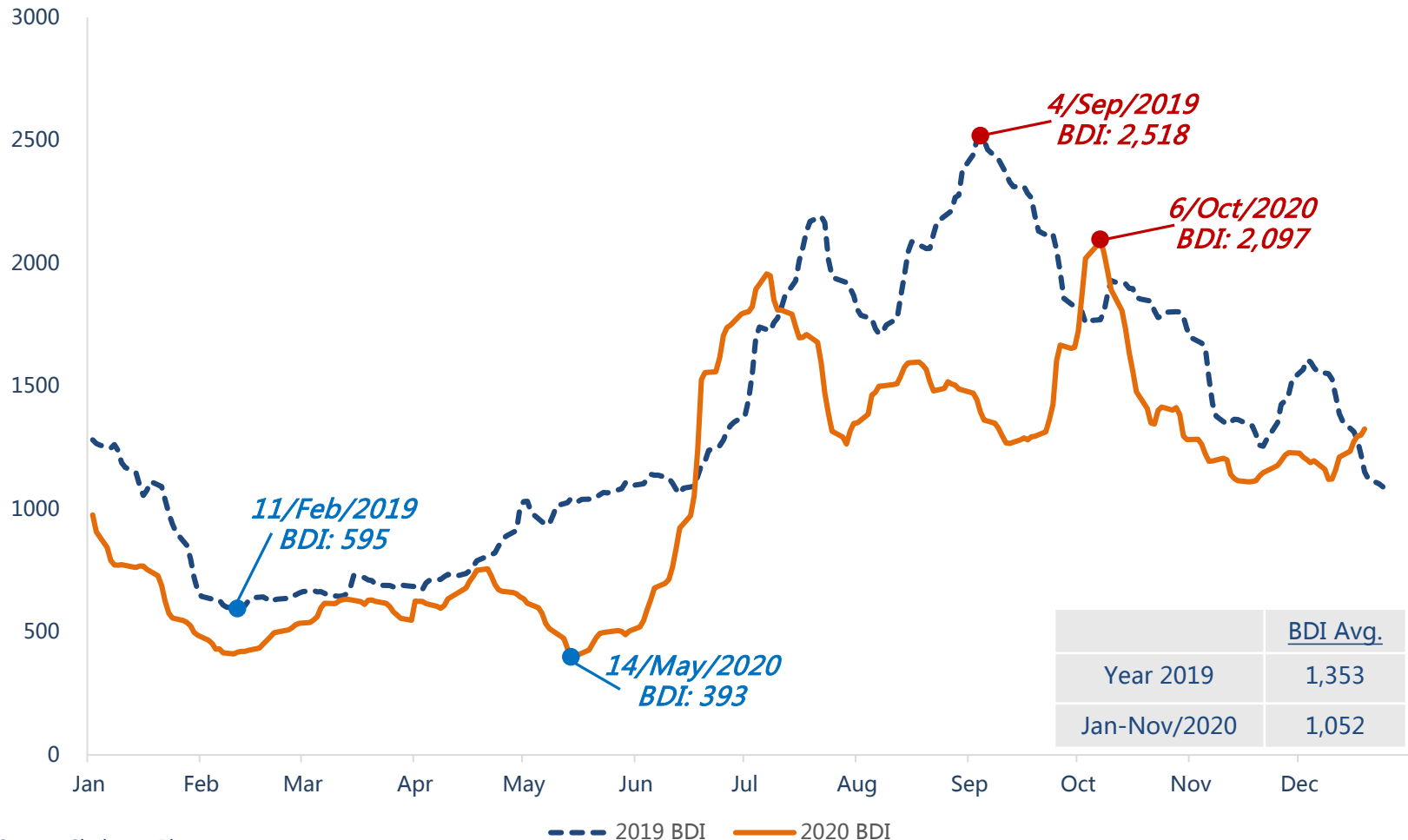
2019-2020 BCI/BPI/BSI Indices



Source: Fearnleys

BDI 2019-2020

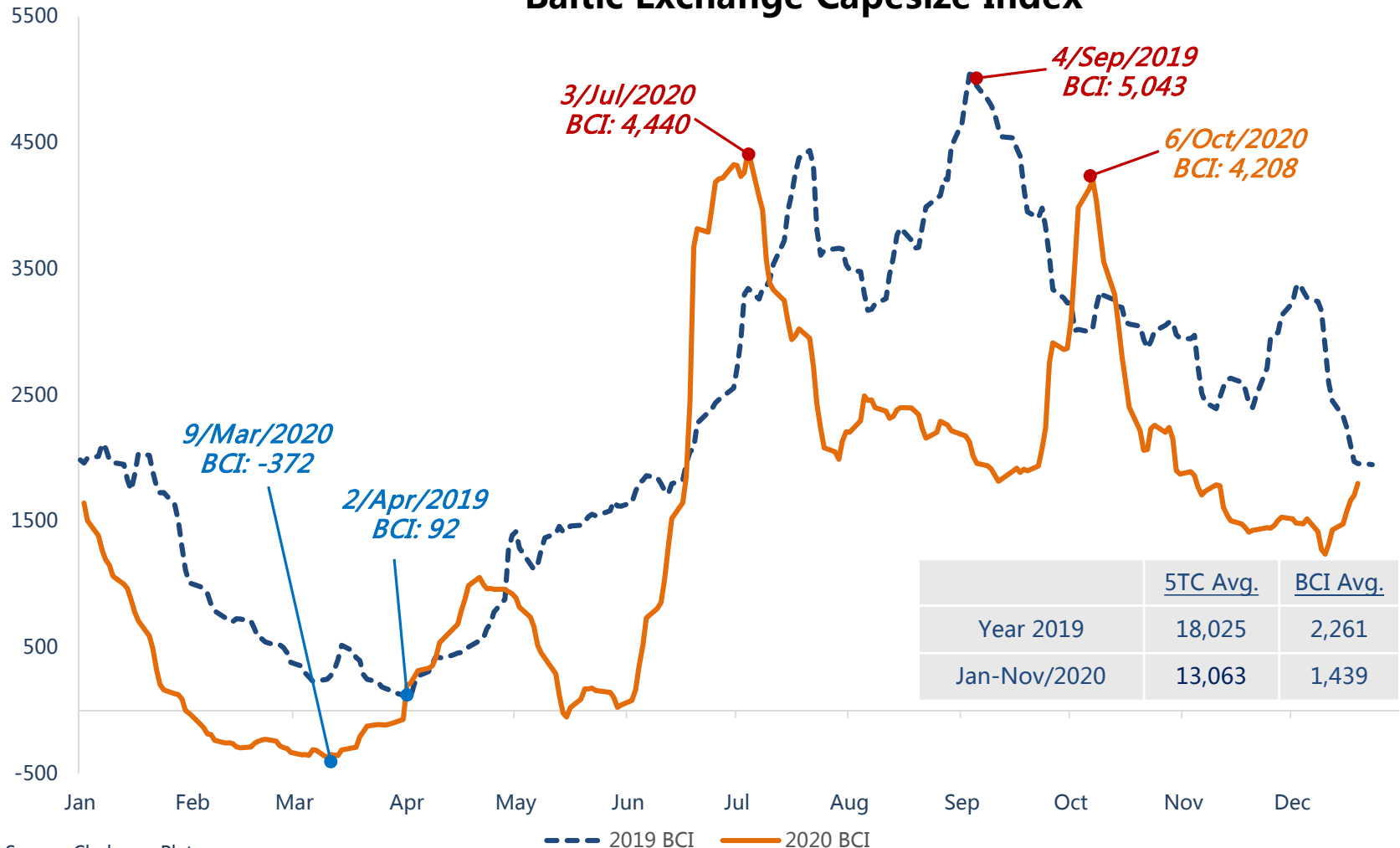
Baltic Exchange Dry Index



Source: Clarksons Platou

BCI 2019-2020

Baltic Exchange Capesize Index



Source: Clarksons Platou

The Company Overview



Company Profile

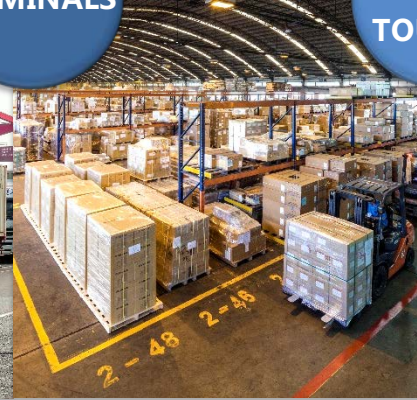
SHIPPING



TRUCKING



TERMINALS



AIR
&
TOURISM



Shipping :

CMT owns and manages a fleet of capesize bulkers to offer dedicated services to customers for transportation of dry bulk commodities around the globe

Trucking :

Associated Transport Inc. is one of Taiwan' s largest intermodal container trucking operators that provides container drayage and related services island-wide

Terminals :

CMT Logistics Co., Ltd. operates two containers terminals in northern Taiwan with great access the country' s major ports to offer import/export express services to customers

Air & Tourism :

CMT Air Cargo Department is the General Sales Agent (GSA) of Saudi Arabian Airlines in Taiwan

CMT Capesize Fleet

China Peace
中華和平輪
174,413 DWT



2005

China Progress
中華富進輪
174,322 DWT



2006

China Pride
中華榮耀輪
177,856 DWT



2009

China Triumph
中華光輝輪
203,028 DWT



2010

China Prosperity
中華鴻運輪
203,028 DWT



2011

2017

2017

2016

2013

2012



China Honour
中華名望輪
179,562 DWT



China Enterprise
中華偉業輪
207,986 DWT



China Harmony
中華和諧輪
179,505 DWT



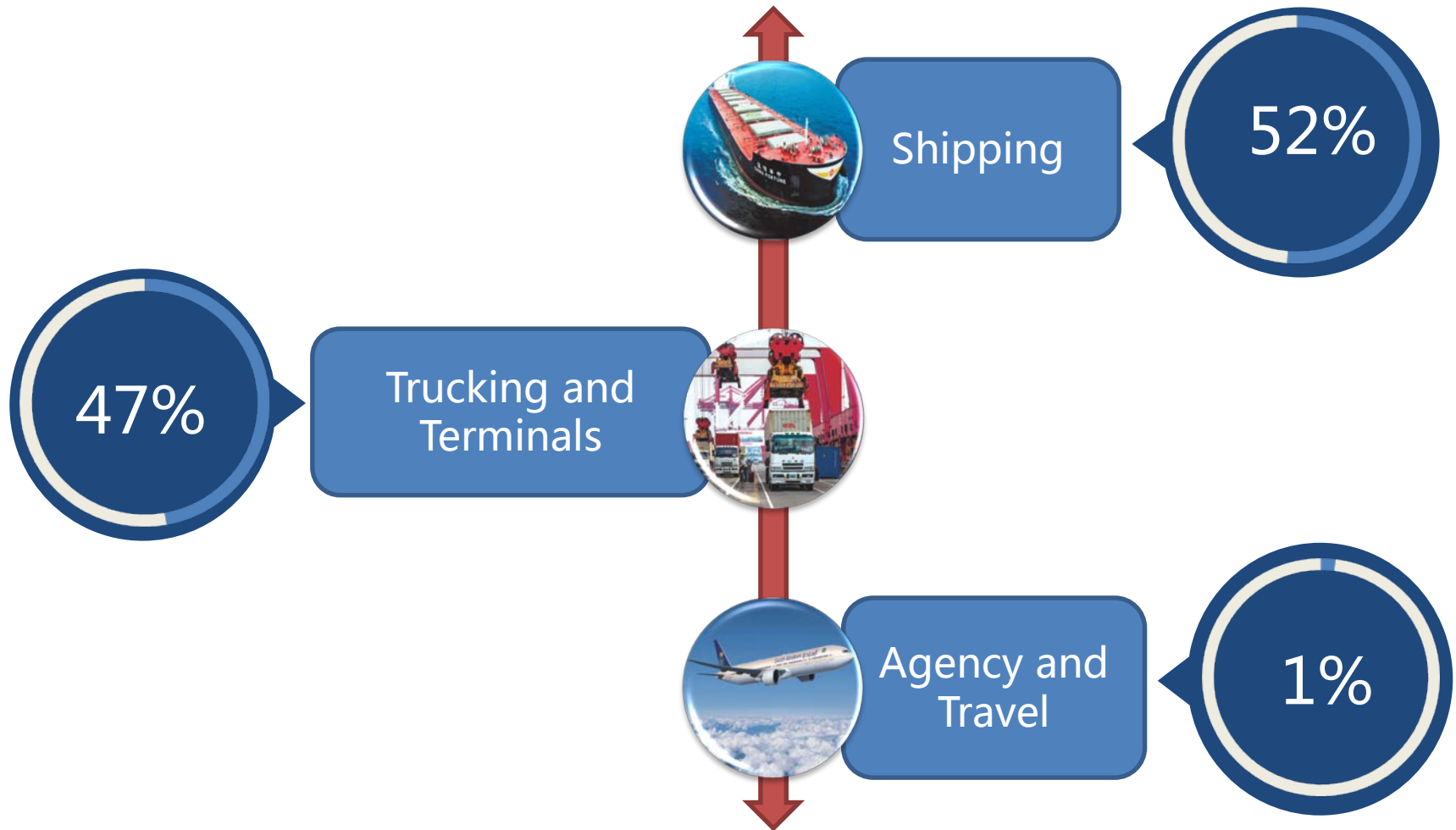
China Fortune
中華偉運輪
206,061 DWT





China Pioneer
中華先鋒輪
206,079 DWT



Entities Revenue Ratio for Q1-Q3 2020



Major Investment and Joint Venture

Name of Company	Holding Since	Effective Ownership Interest as of 30 th September 2020	Main Operating Activities
 <p>Taiwan Navigation, Co., Ltd.</p>	2006	10.41%	50,000-80,000 DWT Bulk Carriers
 <p>Global Energy Maritime Co., Ltd.</p>	2011	12.00%	Crude and Product Tankers including VLCCs

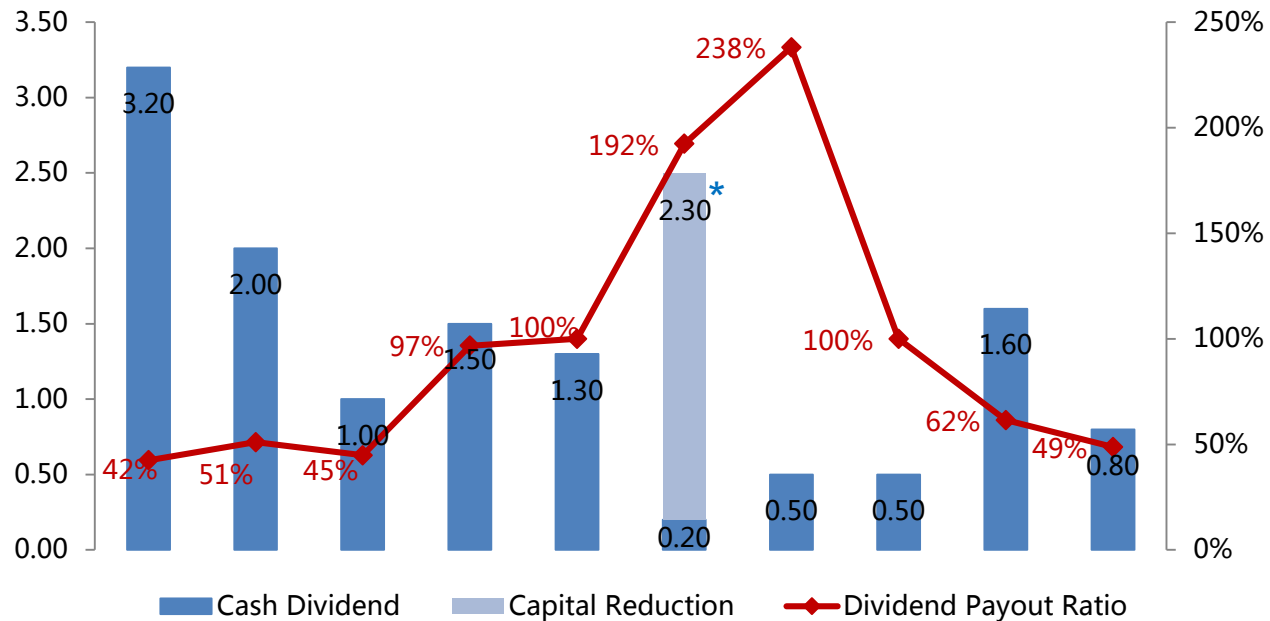
2015-2020 Financial Highlights

Expressed in millions of New Taiwan Dollars

Year	2015	2016	2017	2018	2019	2020 1-3Q
Revenue	3,361	3,295	3,218	3,820	3,763	2,338
Net Profit/(Loss)	333	48	98	514	324	338
EPS	1.30	0.21	0.50	2.60	1.64	1.71
Cash and cash equivalents	4,506	3,686	2,940	3,345	3,288	3,444
Total liabilities	10,173	11,148	10,652	10,237	10,022	9,974
Total equity	11,141	10,323	9,427	10,187	9,934	9,798
ROE %	3.0%	0.5%	1.0%	5.2%	3.2%	3.4%
ROA %	2.1%	0.9%	1.3%	3.5%	2.5%	2.2%
Liability %	48%	52%	53%	50%	50%	50%

Dividends Distribution

Year	2010	2011	2012	2013	2014	2015*	2016	2017	2018	2019
Cash dividends/ Capital Reduction (NT\$)	3.20	2.00	1.00	1.50	1.30	2.50*	0.50	0.50	1.60	0.80
EPS (NT\$)	7.53	3.92	2.23	1.55	1.30	1.30	0.21	0.50	2.60	1.64



*Cash dividend NT\$ 0.20 plus capital reduction NT\$2.30 = NT\$2.50

Appendix 1 : Condensed Balance Sheet

Expressed in millions of New Taiwan Dollars

Assets	Sep 30, 2020	Dec 31, 2019	Sep 30, 2019
Current assets	4,644	3,959	3,872
Property, plant and equipment	12,642	13,549	14,060
Intangible assets	11	12	12
Other non current assets	2,475	2,437	2,429
Total assets	19,772	19,957	20,373
Liabilities and Equity			
Current liabilities	3,532	3,110	2,932
Non Current liabilities	6,442	6,913	7,155
Total liabilities	9,974	10,023	10,087
Equity attributable to owners of parent			
Common stock	1,975	1,975	1,975
Capital surplus	53	53	53
Retained earnings	8,622	8,442	8,400
Other equity interest	-852	-536	-142
Total equity	9,798	9,934	10,286
Total liabilities and equity	19,772	19,957	20,373

Appendix 2 : Condensed Statement of Comprehensive Income

Expressed in thousands of New Taiwan Dollars

	2020 1-3Q	2019	2019 1-3Q
Operating Revenues	2,338,375	3,762,725	2,840,740
Operating costs	1,931,061	2,933,577	2,192,596
Gross profit	407,314	829,148	648,144
Operating expenses	282,294	369,497	273,896
Net operating income	125,020	459,651	374,248
Non operating income and expenses	231,514	(81,393)	(56,357)
Profit before tax	356,534	378,258	317,891
Less: tax expenses	18,093	54,416	39,531
Profit (attributable to owners of parent)	338,441	323,842	278,360
Other comprehensive income, net	(316,211)	(260,319)	136,967
Comprehensive income (attributable to owners of parent)	22,230	63,523	415,327
Earnings per share	1.71	1.64	1.41

Appendix 3 : Corporate Bonds Issuance

Tranche	2016-1	2016-2	2017	2020-1	2020-2
Amount (NT\$ 100M)	9	14	8	15	10
Tenor	5 Years	5 Years	5 Years	5 Years	5 Years
Due Date	16-Mar-2021	16-Mar-2021	10-Apr-2022*	28-Aug-2025	28-Aug-2025
Interest Rate	0.88%	1.00%	1.13%	0.64%	0.66%
Interest Payment	Annually	Annually	Annually	Annually	Annually
Guarantee Bank	Bank of Taiwan	Mega Bank	Shanghai Commercial Bank	Mega Bank	Shanghai Commercial Bank

* Balance of NTD 400 million is due in APR/2022

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Thank You !

